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General

Li Peng Opens Regional Communications Meeting

OW1211154190 Beijing Domestic Service
in Mandarin 1030 GMT 12 Nov 90

[From the "National Hookup" program]

[Text] The fifth meeting of the Asia-Pacific Telecommunications Organization and the 14th meeting of the management committee of the organization opened in Beijing today.

On behalf of the Chinese Government and in his own name, Premier Li Peng attended to the meeting and delivered a congratulatory address.

In his address, Li Peng said: Communication is basic and indispensable to the social and economic development of various countries; it also forms the basis of important international contacts. Communication greatly influences the promotion of social progress and the development of civilization.

Since the beginning of the 1980's, China has implemented a policy of reform and opening to the outside world. China's national economy has grown rapidly; education, science, culture, and other sectors are flourishing. People's living conditions have improved significantly, and great achievements have been made in promoting modernization. Our country considers communication as the basis for developing the national economy and an important factor in opening to the outside world. Communication work has been prioritized. We have formulated a series of specific policies to accomplish its relatively rapid development. Communication has played an important role in developing the national economy and in strengthening friendship and cooperation with various countries.

Li Peng said: At present, China's economic development is at an important stage. From our experiences in economic development over the past 10 years, we have formulated a 10-year development plan, as well as the next Five-Year Plan. The Chinese Government will continue to implement firmly the policy of reform and opening to the outside world initiated by Comrade Deng Xiaoping.

Communication will occupy a very important position in the future. We must not only pay attention to quantity but also stress quality. To improve switchboards, we will develop program control. In transmission, we will develop not only microwave transmissions but also photoelectric and satellite communications. I am convinced that the next 10 years will be a period of great development in China's communication work.

Li Peng said: The Asia-Pacific region is extremely important. Its diligent and intelligent people account for more than half the world's population. The region has many developing countries; their economic development is full of vitality. Today we meet in Beijing to discuss the great plan for developing Asia-Pacific telecommunications. I

believe this meeting will definitely play a greater role in promoting the development of telecommunications in the Asia-Pacific.

Prior to the meeting, Premier Li Peng met with Dr. Tagini, secretary general of the International Telecommunications League, and Mr. Zhao Tongma, executive director of the Asia-Pacific Telecommunications Organization. Yang Taifang, minister of posts and telecommunications, was present at the meeting. More than 130 representatives from over 20 countries and areas in the Asia-Pacific attended today's opening ceremony.

Addresses Conference

HK1311064890 Beijing CHINA DAILY in English
13 Nov 90 p 1

[By staff reporter Gao Jinan]

[Text] Modern technology and equipment will be the major elements in the nation's telecommunication plan over the coming decade, Premier Li Peng said yesterday.

Addressing the opening session of the Asia-Pacific Telecommunity conference in Beijing, Li said that updated transmission technologies, such as microwave, optical fibre and satellite, should be widely used in China.

The Premier told the more than 100 foreign and Chinese participants that more programmed digital telephone exchanges will be installed in the next decade.

As a necessary part of the nation's economic infrastructure and a requirement for success of the opening policy, China has attached great importance to the development of telecommunications in the past 10 years.

In drafting the national development plans for the coming decade, Li revealed, telecommunications will be given top priority.

He assured participants at the conference that China will firmly carry on the reform and open policies initiated by Deng Xiaoping.

With the expected State investment, Li believed that Chinese telecommunications industry will witness a faster development in the coming 10 years.

At present, the national telephone exchange capacity stands at 20 million lines with 13 million telephone sets installed across the country, said Yang Taifang, Minister of Posts and Telecommunications.

Currently, there is about one telephone for every 100 Chinese people on average, and the ratio in some large and coastal cities is greater than 10 for every 100.

Yang said at the meeting that over 600 Chinese cities have joined the national automatic telephone network and from over 200 cities it is possible to dial any number in 182 countries and regions. That service as well as inter-city service, is already available for government agencies, foreign embassies, large businesses and similar users.

According to the ministry's long-term plan, the number of telephones will reach 33.6 million sets by the year 2000, marking a tremendous step forward for the nation's telecommunications.

The figure means that there will be 2.8 telephone sets for every 100 people across the country on the average.

Yang said that inter-city transmission will mainly depend on digital optical fibre, satellite and microwave communications, as Premier Li had suggested.

By the end of this century, the national telecommunications network will be automatized, Yang said.

While stressing a self-reliance policy, China will enhance its cooperation with all Asian-Pacific Telecommunity member countries and world telecom leaders to aid the modernization drive in telecommunications, the minister said.

The Asian-Pacific Telecommunity, founded in 1979, has 22 member countries, two associate member countries and 17 non-voting members. China, enjoying good cooperation ties with the organization, is one of its founders. This was its first conference held in China.

'Roundup' Views Baker's Tour of Mideast, Europe

*OW1111011790 Beijing XINHUA in English
0039 GMT 11 Nov 90*

["Roundup: Baker Ends Tour of Seeking Support for Possible War Against Iraq (Part One) (by Yu Dabo)"]—XINHUA headline]

[Text] Cairo, November 10 (XINHUA)—U.S. Secretary of State James Baker today concluded his week-long seven-nation tour to seek support for possible military action against Iraq and he seems to have made some gains.

The trip, which took Baker to Bahrain, Saudi Arabia, Egypt, Turkey, the Soviet Union, Britain and France, was widely seen as a prelude to a decisive move, most likely a military one by the U.S.-led multinational force assembling in the Gulf to roll back Iraq's invasion of Kuwait.

Baker started his tour last Sunday amid heightened tension in the Gulf after three months of a trade embargo and other sanctions failed to force Iraqi President Saddam Husayn to budge in his determination to hold on to Kuwait as an annexed province.

During the tour, Baker said his fast-paced trip was designed to lay the groundwork for stronger economic and political measures or even military action against Iraq.

He said on many occasions that the credibility of the United Nations was at stake in the Gulf crisis and possible use of force could not be ruled out to resolve it.

"It is the view of our president and the United States that we cannot rule out the possible use of force before we see that the matter is resolved peacefully," he said.

Baker discussed with the other four permanent members of the U.N. Security Council—Britain, France, China and the Soviet Union—about possible action this month on a U.N. resolution authorizing the use of force in dealing with Iraq.

Baker also conferred with other allied partners about how long to apply economic and political pressure before considering military action.

The trip has achieved one of its major goals—a U.S.-Saudi agreement, under which U.S. and Saudi forces will operate under a joint command in defense of the kingdom. As for military action beyond Saudi borders, the agreement allows U.S. troops to operate under American commanders after the operation was approved "at the highest political level" of both governments.

Baker has also succeeded to some extent in consolidating consensus among the U.S. allies over the potential use of force to drive Iraq out of Kuwait.

Leaders of Bahrain, Egypt and Turkey all reaffirmed their determination to side with the United States in the Gulf crisis. They reportedly agreed that "a partial solution" to Iraq's occupation of Kuwait was unacceptable and that military action was "one of the options responsible governments have to study."

Baker has reportedly won the qualified approval from the Soviet Union to the use of military force to end Iraq's occupation if peaceful measures fail.

In addition to Britain's commitment of its steadfast support for any possible action against Iraq, Baker was reassured by French President Francois Mitterrand who said the international consensus against Iraq "is solid and unified and will remain solid and unified."

While beating up the drums for war, Baker continued to harp on the American "willingness" to seek a political and peaceful solution to the crisis, saying the U.S. wants to "see a peaceful, diplomatic and political solution to this problem."

Differences however seemed to still stand in the way of a unanimous approval for the scale and timing of any military action.

In a public statement coinciding with Baker's visit, Turkey's Defense Minister Husnu Dogan ruled out the possibility of opening a second front against Iraq from southern Turkey.

Egyptian President Husni Mubarak, who has sent the largest Arab force to the foreign military buildup in the Gulf, urged patience on the U.S. side in defusing the crisis.

He said the U.S.-led forces should wait "at least two to three more months" to decide if the trade embargo will force Iraq to withdraw from Kuwait.

The tour also failed to clear away the American doubts over France's commitment to fighting alongside U.S. forces in the event of a war to liberate Kuwait.

Further on Baker's Trip

*OW1211010690 Beijing XINHUA in English
0048 GMT 12 Nov 90*

["Roundup by (He Dalong): Baker Ends Gulf, Europe Trip With Mixed Results"—XINHUA headline]

[Text] Washington, November 11 (XINHUA)—Secretary of State James Baker returned to Washington Saturday evening after his eight-day, seven-nation trip with mixed results.

U.S. officials called Baker's trip 'successful' and said Baker had 'productive' talks with the leaders of Bahrain, Saudi Arabia, Egypt, Turkey, the Soviet Union, Britain and France, with Kuwait's Amir in Saudi Arabia and with Chinese foreign minister in Egypt.

Baker found that the leaders were in unanimous agreement that Iraqi invaders must depart from Kuwait and that the leaders would increase pressure on Iraq to force it to do so.

Baker also gained assurances from the leaders that partial solutions was unacceptable and that the U.N. resolution to demand unconditional withdrawal of Iraqi troops from Kuwait must be fully implemented.

On top of that, Baker made an agreement with Saudi King Fahd on new command arrangements for the U.S. forces deployed in Saudi Arabia.

Under the accord, any military operation to defense [as received] Saudi Arabia from Iraq's attacks would be shared by Saudi and American forces and any U.S. offensive against Iraq from Saudi soil would be undertaken only after Saudi king and American president both gave their approval.

The accord, U.S. officials said, was significant and cleared away an important obstacle to any U.S. future military action against Iraq.

However, these results present only one side of the coin. The leaders gave different views from the United States when Baker brought up the use of force even as a last resort to evict Iraqi forces.

Baker was told by the leaders that more time was required for international sanctions against Iraq to work before turning to military actions to oust Iraq from Kuwait.

Egypt's President Husni Mubarak said the alliance should wait 'two or three more months' to see if sanctions will work, while Turkey's President Turgut Ozal advised Baker that more time is needed for the sanctions to work.

Soviet Foreign Minister Eduard Shevardnadze clearly preferred to give political diplomacy more time before

the use of force, although he said 'probably this could not be ruled out' under certain circumstances.

And French Foreign Minister Roland Dumas said 'for the moment, no one favors military action.'

The French continued to hope the crisis would be 'resolved through diplomatic and peaceful means,' Dumas said.

On the question of what step to be taken next against Iraq, President Mubarak said it is up to the United Nations Security Council to approve a resolution authorizing the use of force if diplomacy fails.

Soviet President Mikhail Gorbachev said any decision about military action against Iraq 'will be taken by the United Nations.'

And the French foreign minister said 'it is in the context of the United Nations that we will continue to work.'

Facing the reservations or opposition, Baker acknowledged 'there are some differing views with respect to some of those issues.'

'We will continue to have our conversations and discussions with the Soviets, as well as with our other coalition partners to see under what circumstances, and in what way, and within what timeframe it would be useful to explore that option,' Baker said.

When Baker was still on the trip, Bush administration stepped up preparation for war against Iraq by announcing to send 200,000 more troops to the Gulf region.

Observers here noted that the United States would concentrate its diplomatic efforts on the United Nations in November while its chairmanship of the Security Council, with an aim at approving a resolution authorizing the use of force, paving the way for U.S. future military action against Iraq.

'Slide' in Trade With USSR, Middle East Seen

*HK1011092490 Hong Kong ZHONGGUO TONGXUN
SHE in English 0437 GMT 10 Nov 90*

["By Shi Chuan: Slide in China's Trade With the Soviet Union and the Middle East"—ZHONGGUO TONGXUN SHE headline]

[Text] Guangzhou, November 10 (HKCNA)—China is now facing the crisis of seeing a slide in its trade with the Soviet Union and the Middle East.

This due partly to the Gulf crisis and partly to the switch from barter trade to direct payment between China and the Soviet Union and other East European countries which will come into effect on Jan 1, 1991.

The recently-held Chinese Exporting Commodities Trade Fair, staged from October 15 to October 30, stipulated that all transactions should be paid for by direct foreign exchange.

Middle East merchants who took part in the trade fair were down considerably in numbers, according to sources and thus transactions between China and the Middle East is projected to show a substantial decline.

Owing to the worsening of the Gulf crisis and the rise in oil prices, transportation costs and insurance premiums for shipping are up. Eventually there will be a corresponding decrease in business involving re-exports in Hong Kong, Macao and Europe.

Transactions for silk and medical appliances were fairly satisfactory, but there was an obvious decline in petroleum chemicals, textile products and light industrial products.

Total transactions for all the oil producing countries in the Middle East and Africa was U.S.\$49.4 million, a slump compared with the figure reached at the previous trade fair and was even smaller than half that of Australia which ranks in fifth position.

This is the first time for the host country to formally invite businessmen from the Soviet Union and the Eastern European countries. Total transactions amounted to U.S. 5 million [dollars] with products including small tractors, audio-visual items, fashion goods and shoes.

In the past, China usually had an annual trade figure of several billion U.S. dollars with the Soviet Union and the Eastern European countries. However, the abolition of the barter trade this year comes at a time when the Eastern European countries are lacking foreign exchange. With China facing the restructuring of the system of ownership, trading will very likely continue its slide.

In order to tackle this problem, the Chinese will adopt a new policy to promote trade with the Soviet Union and the Eastern European countries next year taking into consideration advice given by Chinese traders and those from the other countries concerned. This new policy is soon to be announced.

Gorbachev Visit Marks Cooperation With Germany

*OW1111083990 Beijing XINHUA in English
0823 GMT 11 Nov 90*

["Roundup: German-Soviet Relations Enter Phase of Full Cooperation—by Hu Yongzhen"—XINHUA headline]

[Text] Bonn, November 10 (XINHUA)—Soviet President Mikhail Gorbachev's visit to Germany on November 9-10, the first one by a foreign head of state following the German reunification, witnessed the beginning of full cooperation between the two countries.

The general treaty on good-neighborliness, partnership and cooperation, which was signed during Gorbachev's visit, consists of 22 articles with a 20-year term of validity. This treaty was regarded as one laying a foundation for the future relations between Germany and the Soviet Union.

This is a treaty reflecting German and Soviet full-scale cooperation in politics, economy, culture, science and technology and environmental protection. The first seven articles describe the principles of the two countries' political relations, emphasizing non-aggression, no threat of force and no territory claim between the two sides. Political summit meetings are to be held at least once a year, foreign ministers' meetings twice a year, as well as defence ministers' regular consultations, the article added.

The long pending issue concerning the rights of two million German Soviets is now settled in principle.

The two nations have once signed two important treaties: the 1970 Moscow Treaty and the joint statement signed in June 1989 by Gorbachev with the then Federal Germany. However, the new treaty this time is far more significant than the previous ones [in] that it does not merely include the word "partnership" as part of the terminology in content but also for the first time adds the article of mutual non-aggression. Both are unprecedented. Gorbachev said at the signing ceremony that the treaty indicates "the final end of confrontation era" while Kohl regarded it as "the beginning of a good future."

In addition to the general treaty, the two leaders signed two more treaties. The first one is the treaty on the full development of cooperation in economy, industry, and science and technology, under which the German side is committed to providing great support to the Soviet side. The term of validity for this treaty is 20 years and two committees are expected to be set up to meet at least once a year. It also stipulates that Germany will make efforts to help the Soviet Union continue to import machine and equipment parts from former Democratic German area and export its products to this area without being controlled by the European Community's restrictions in amount and specifications.

The second treaty, signed between the Soviet foreign minister and German labor minister concerning labor and social welfare, is the first of its kind with a country of market-oriented economy. Germany will supply the Soviet Union with advice and cooperation in employment and social security, particularly in establishing a labor law, labor organization and labor protection. The treaty can be extended if both sides desire after it expires in three years.

Another aspect suggestive of the closeness of their relations is Gorbachev's visit to Kohl's birthplace. They chatted over coffee in a very agreeable, cordial atmosphere.

Observers notice that the Soviet Union and Germany have come together so closely because they have mutual needs. The Soviet 500-day transition to market-oriented economy requires German mighty aid in order to stabilize the domestic situation worsening by its ethnic conflicts and depressed economy. In a way the country regards Germans as the salvators for their problems. On

the other hand, the Germans feel indebted to the Russians for their help in speeding up the process of reunification. During the two-day visit, both President Richard von Weizsaecker and Chancellor Helmut Kohl said emphatically, "Without Gorbachev German reunification can not be fulfilled so quickly."

Foreign Minister Hans-Dietrich Genscher said Germany expressed its thanks to the United States for support, to France for understanding, to Britain for cooperation and to the Soviet Union for contribution. It seems to the Germans that the Soviet Union acted as a catalyst for the changes in Europe.

Since last June the Federal German Government provided guarantee for the country's five billion marks of bank loans to the Soviet Union, and offered 12 billion marks in aid to the withdrawal of Soviet troops from the East German area. It is expected that Gorbachev's visit will promote German-Soviet ties to a deeper and wider scope.

French, U.S. Companies To Manage Nuclear Plant

HK1111053990 Hong Kong ZHONGGUO TONGXUN SHE
in Chinese 0825 GMT 10 Nov 90

[Report by Luo Ping (7482 1627): "Hong Kong Daya Bay Nuclear Power Plant Hires French and U.S. Companies To Manage the Project"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 10 Nov (ZHONGGUO TONGXUN SHE)—The spokesman for the Guangdong Nuclear Power Joint Company said the joint venture has hired a French and a U.S. company to ensure quality construction.

The two companies hired by the joint company occupy a leading position in the international nuclear power industry. The two companies are the Electricite de France, which offers technological management services, and the Bechtel Power Corporation of the United States, which offers quality control services.

The two companies have undertaken the tasks of design, construction, or operation of a number of hydraulic reactor units in France, the United States, and other parts of the world. In view of the requirements specified in the contract of the Guangdong Nuclear Power Plant, the Electricite de France and Bechtel Power Corporation have sent more than 130 experts to the Engineering and Quality Inspection Departments of the joint venture.

At the construction stage, the Quality Control Department of the joint venture set up a group composed of 39 quality inspection experts from the Electricite de France and Bechtel Power Corporation, as well as Chinese engineers. By the time the nuclear power plant goes into operation, the engineers, who have completed their training in French nuclear power plants, will also join the work.

IAEA To Conduct Safety Check

HK1411020390 Hong Kong SOUTH CHINA MORNING POST in English 14 Nov 90 p 3

[By Shirley Yam]

[Text] The International Atomic Energy Authority [IAEA] will conduct its first safety assessment on the operation of the controversial Daya Bay nuclear plant this month.

A 14-member delegation from the authority was invited by the China Nuclear Industry Corporation and the Guangdong Nuclear Power Joint Venture Company to conduct the three-week study, beginning on November 26.

Apart from officials of the authority, the delegation will also include experts and observers from the United States, Germany, Japan, Italy, Canada, Czechoslovakia, Romania, Pakistan and Poland.

Meanwhile, a spokesman from the nuclear power company announced that two French and American companies, the Electricite de France and the Bechtel Power Corporation, had been employed to provide the necessary management techniques for the plant and to serve as the quality controller for its construction, operation and management.

More than 130 experts have already been deployed to the joint venture company's engineering and quality control departments.

In another development, a member of the plant's consultative committee, Professor Poon Chung-kwong, speaking about reports of possible corrosion of the plant's generators which could cause leaks of radioactive substances, said no review would be conducted at present.

UN Approves Draft on Conventional Disarmament

OW1011035190 Beijing XINHUA in English
0200 GMT 10 Nov 90

[Text] United Nations, November 9 (XINHUA)—The first committee (political and security) of the United Nations today approved a draft resolution urging major military powers to continue their intensive negotiations on conventional disarmament.

The draft proposed by China urges the countries with the largest military arsenals, which bear a special responsibility in pursuing the process of conventional arms reduction, to make further progress in order to establish a stable and secure balance of conventional armament and forces, to achieve increased security at lower level of forces and to eliminate the capability for surprise attack and large-scale offensive action in Europe.

The draft emphasizes the danger to world peace and security originating from, and the possible escalation into nuclear exchange caused by, wars fought with conventional weapons, which tend to become increasingly lethal and destructive with the advance in science and technology.

It believes that the resources released through disarmament, including conventional disarmament, can be used for the social and economic development of all countries, particularly the developing ones.

It calls upon all countries to intensify their efforts and take necessary steps to promote progress in the field of conventional disarmament and to enhance peace and security in their region and in the whole world.

The draft will have to be submitted to and considered and adopted by the U.N. General Assembly some time later.

Economist Stresses Importance of Tourism

OW1411085690 Beijing XINHUA in English
0811 GMT 14 Nov 90

[Text] Hangzhou, November 14 (XINHUA)—Tourism has become a new source of income for China during the past 12 years, a Chinese economist said.

Economist Sun Shangqing, speaking to the fifth symposium on tourist development in the Asian-Pacific region, said that before 1978, China focused on maintaining friendly foreign relations. The country's concern was far from forming its own independent tourist industry. Yet, since 1978 when China initiated its reform policy, more than 400 cities and 600 regions have been opened to the outside world.

At present, Chinese tourism has fixed assets of 40 billion yuan (U.S. 8 billion) [dollars], 1.6 million workers and a yearly business income of 30 billion yuan (U.S. 6 billion) [dollars]. It has about 300,000 guest rooms.

Visitors from abroad have totalled over 173 million in the past 12 years, witnessing an average yearly increase of 24.3 per cent.

The economist pointed out that the rapid development in the tourist trade has exerted profound influences on the Chinese economy.

For example, more foreign exchange has been gained for the country, improving the regional economy and the trades relating to tourism and creating more chances for job-seekers.

United States & Canada

XINHUA Analyzes Bush's Economic Policies

OW1111080690 Beijing XINHUA in English
0742 GMT 11 Nov 90

["News Analysis: A Government Beset With Difficulties—by Wei Guoqiang"—XINHUA headline]

[Text] Washington, November 10 (XINHUA)—U.S. President George Bush, when answering a question at a press conference two days ago, used the term of "some tough time" to describe the national economic situation.

But, analysts believed that the term has an implication not only in the economic field, but also in the political field and foreign affairs.

The U.S. economy, after gaining a continued expansion for 7 years, began to slow down its growth pace and show signs of a downturn late last year.

Since this year, the gross national product (GNP) grew at an spasmodic pace with an annualized rate of 1.7 percent in the first quarter and 0.7 percent in the second quarter.

Though the advanced GNP report released by the Commerce Department early this month showed an increase of 1.8 percent in the third quarter, many economists believed that the actual growth rate would be much lower than that after it is revised in the next two months.

Following the rise of oil prices due to Iraq's invasion of Kuwait on August 2, fuel oil prices in the United States jumped nearly 40 percent, which in turn has pushed up prices of other goods up.

Economists noted that the consumer prices index would increase by 7.1 percent, which will bring the inflation rate for the year to 5.5 percent from 5.1 percent registered last year.

Several largest U.S. retailers reported that their sales have dropped in the past months and given the consumers' uncertainty about the economy and a possible war in the Gulf, there is little hope for them to hike the sale in the Christmas shopping season this year, during which they usually earn up to half of their total annual profits.

This news is devastating for the national economy as a whole because the consumer spending accounts for two-thirds of the GNP.

The weakening retail sales would help reduce orders for new goods, thus compelling manufacturers to cut back on their payrolls.

Currently, some big companies such as the General Motors, the Ford and the McDonnell Douglas as well as a number of firms on the Wall Street have laid off their employees.

Bankruptcies also rose by 14.5 percent to 43,836 in the first 9 months this year as compared with 38,296 during the same period last year.

As bad news about the economy is mounting, many economists pointed out that the economy is in a recession or at best close to a recession.

Differing from the view of economists, the Bush administration maintained two weeks ago that the economy slowed its growth, but no recession is in sight.

In face of those economic problems, however, the administration cannot but admit the situation is severe.

Yesterday, White House spokesman Marlin Fitzwater said that the economy will have a downturn in the fourth

quarter, and the administration is engaged at revising its economic projections and formulating measures to deal with the consequences.

But, analysts believed that once the economy is in a recession, there will be no easy job to bring it out.

In addition to economic problems, the Bush administration also has difficulties in the political front.

Bush, who vowed not to increase taxes during the last presidential campaign, recently agreed to partly raise taxes when negotiating with the Congress on a budget bill to reduce the huge budget deficit.

As his shift on the tax position just took place before the mid-term election, it helped voters change their minds to some degree. The election result show that the Republicans lost some seats in both the House and Senate and the governorships.

With this result, Bush has to ease grievances of the Republicans while considering ways to deal with a Congress in which the Democrats have been strengthened.

In addition, public opinion has suspected Bush's ability to be a leader. This, to some extent, is an ominous sign for his next presidential campaign, if he decides to seek reelection.

The Gulf is still another hot potato for the administration.

It is estimated that if the U.S. troops launch an attack on Iraq, the war not only will cost the United States 50 billion dollars and about 45,000 casualties, but there is also a possibility that the war will last for a long time. If it is the case, that will make the Bush administration suffer more politically and economically.

At present, the hundreds of thousands of U.S. troops stationed in the Gulf region cost the country tens of millions of dollars a day. It is a real burden to the economy.

It is obvious that it is really very difficult for the administration to make any decision on the Gulf, neither launching a war, nor a withdrawal or a long-term presence there.

Analysts noted that those difficulties would cost the administration much more politically if they are not handled in a proper way. This is really a "tough time" for the administration.

Bush Administration's 'Difficulties' Analyzed

HK1111022090 Hong Kong TA KUNG PAO in Chinese
9 Nov 90 p 2

["Political Talk" column by Shi Chun-yu (2457 0689 3768): "The Future of the Bush Administration Is Full of Difficulties"]

[Text] Failure in Midterm Elections

As predicted, the Republican Party has failed, with one setback after another in the U.S. mid-term election. It lost another eight seats in the House, and one seat in the

Senate. It was originally estimated that Republicans might lose 10 to 12 seats in the House, therefore, the result cannot be regarded as a decisive defeat. In the governor's races in three major states, however, Republicans only managed to win the campaign in California, while losing to the Democrats in Texas and Florida. These cases will greatly affect the presidential election two years from today. Texas is President Bush's home town and despite the fact that he made three personal appearances in Texas to help in the campaign, he could not avoid meeting his Waterloo.

Frequently in the United States, the party in office loses in the midterm election. The recent election has proven to be no exception. Bush's recent failure will be unfavorable to his administration, and he will come under greater restrictions and containment by the Democrats in Congress. Inevitably, the Democrats will pursue protectionism and will propose a bill on restricting imports. Hong Kong, Taiwan, South Korea, and Mainland China can expect more restrictions regarding exporting goods to the United States. Japan has greater worries about the U.S. Congress restricting Japanese goods and exerting greater pressure on Japan to import more U.S. goods.

Financial Deficit, Tax Increase, and Gulf Crisis

In the wake of the midterm election, Bush has to deal with such thorny issues as financial deficit, tax increases, and the Gulf crisis. In October, Bush was criticized for "lacking resolution" because he could not make a decision on the budget involving deficit cutbacks and tax increases, despite several rounds of heated debates with the Congress. U.S. citizens are anxious about the prospects of an economic recession and the threats of inflation, unemployment, and tax increases. It will be an arduous task that will not tolerate delay for Bush to help the U.S. people eliminate their anxieties, and to augment party solidarity, soothe Republican senators and congressmen who strongly oppose tax increases.

In mid-November, Bush is scheduled to visit Europe and various Mideast countries, participate in the summit meeting of the Conference on Security and Cooperation in Europe, reach an agreement on European security in the wake of German reunification, and design a new pattern for the new U.S.-European, and U.S.-USSR relations.

Two U.S. Strategies Toward the Gulf

Later, President Bush is scheduled to visit Egypt and Saudi Arabia to find a solution to the Gulf crisis. Regarding the United States and President Bush, the success or failure in resolving the Gulf crisis will affect U.S. international status and Bush's personal prestige. If a solution to the Gulf crisis is delayed while oil prices remain high, the political and economic impact on the U.S. will be great. The financial and economic blows will be greater still for the various countries which have had no other choice but to participate in the United Nations Security Council's embargo resolution. If Bush fails to make a resolute decision on the Gulf crisis, a split

between various countries may surface and end in the embargo's failure, with Saddam Husayn disintegrating the coalition by taking advantage of the situation.

Presently, the U.S. strategy is: Reinforcing its troops in the Gulf area and making preparations for an offensive in earnest and sending U.S. Secretary of State Baker to visit the Middle East, Europe, and the USSR, with the open threat that the United States has already devised a plan to settle the Gulf crisis by force with UN authorization. The aim of Baker's trip is to determine whether various countries will support this plan in an attempt to "justify its action" when the offensive is launched. Presently, the number of the three services of U.S. troops stationed in the Gulf has already exceeded 230,000; another 40,000 troops and 600 new-type tanks capable of shielding chemical weapons are rapidly being conveyed to Saudi Arabia. The fact the United States has continued to flex its muscles and has earnestly served warnings to Iraq on its readiness to resort to force is a "psychological war," forcing Iraq to see the difficulties of war. Regarding the United States, should the situation continue for a long time, antiwar forces at home and overseas will inevitably rise and create difficulties.

If Saddam turns down the demand for an Iraqi pullout in the near future, it will leave little choice for the multinational troops and war in the Middle East will eventually break out.

Article Criticizes American-Style Democracy

HK1111072890 Beijing RENMIN RIBAO in Chinese
7 Nov 90 p 1

[Article by Xiang Qun (0686 5028): "The Irony of American-Style Democracy"]

[Text] Some people have the greatest esteem for democracy in the United States, regarding it as the model of "the system of democracy and freedom" and an important component part of "total Westernization."

As a matter of fact, Americans disregard or do not care much about their "democratic rights." According to a XINHUA report, over the years the rate of Americans voting in presidential elections has been under 50 percent. Moreover, the rate of those participating in the midterm elections (Congressional elections) did not exceed 30 percent. In other words, more than half of the voters have not taken part in presidential and congressional elections.

Why are Americans so unconcerned about the elections? According to a sample survey conducted by New York newspapers and the Columbia Broadcasting System, over 70 percent of the people interviewed believe "the majority of the Congressmen are interested in serving privileged groups rather than the people." What does "privileged groups" mean? Naturally, it refers to those who use money to support the elected rather than the homeless vagabonds.

Some people appreciate the "two-party system" abroad. According to a survey of 3,000 voters by a newspaper in the United States, 33 percent supported the Democratic Party, only 28 percent supported the Republican Party, while the remaining 39 percent did not vote for either.

As everyone knows, the difference between the two parties in the United States is that they represent the interests of two financial groups, so which party is elected makes no difference. It is quite understandable that so many people have not supported either and have not even taken part in the elections.

In the United States, which claims to be a "democratic" country, there exists the great irony of American-style democracy: Its citizens are not willing to exercise their democratic rights. We hope those who concern themselves with and appreciate the "free elections" and "freedom of choice" of the United States more than the Americans, will wake up to reality.

Canadian Parliamentarians Meet With Peng Chong

OW1311130690 Beijing XINHUA in English
1154 GMT 13 Nov 90

[Text] Beijing, November 13 (XINHUA)—Peng Chong, vice-chairman of the Chinese National People's Congress (NPC) Standing Committee, met with a parliamentary delegation from Canada, led by John Bosley, chairman of the External Affairs Committee of the House of Commons, here this evening.

Peng extended a warm welcome to the delegation on behalf of the NPC Standing Committee and its Chairman Wan Li. He hoped the guests will, through the visit, learn more about China's current political and economic situation and further promote the friendship between the two peoples and the parliaments.

Holds Talks With Fu Hao

OW1411080190 Beijing XINHUA in English
0737 GMT 14 Nov 90

[Text] Beijing, November 14 (XINHUA)—Fu Hao, member of the Chinese National People's Congress (NPC) Standing Committee and vice-chairman of the NPC Foreign Affairs Committee, held talks with a Canadian parliamentary delegation headed by John Bosley, chairman of the External Affairs Committee of the House of Commons, here this morning.

Fu briefed the visitors on the functions of the NPC and China's current political, economic and social situation. They also exchanged views on issues of common concern.

Wan Li Meets With Canadian Mayor, Delegation

OW0811145090 Beijing XINHUA in English
1442 GMT 8 Nov 90

[Text] Beijing, November 8 (XINHUA)—Wan Li, chairman of the Standing Committee of China's

National People's Congress, met Douglas R. Archer, mayor of Regina of Canada, and his party here today.

The visitors are here as guests of the people's government of Jinan, capital of East China's Shandong Province. Regina and Jinan became sister cities in 1987.

Douglas Archer said that he is delighted to meet Wan Li, an honorary citizen of Regina.

Wan Li recalled his visit to Canada last year. He said since China and Canada established diplomatic ties, the relations between the Chinese and Canadian Parliaments and Governments have been good.

He said the enhanced cooperation between the two countries is beneficial to the two countries' economic development and to the world peace as well.

Wan Li briefed the guests on the economic and cultural development of Shandong Province and the city of Jinan and he expressed his wish that Regina and Jinan will strengthen their economic cooperation and cultural and academic exchanges.

Northeast Asia

Premier Wu Xueqian Continues Visit to Japan

High-Level Visits Planned

HK1411021190 Hong Kong SOUTH CHINA MORNING POST in English 14 Nov 90 p 10

[By Willy Wo-lap Lam]

[Text] Sino-Japanese ties are poised for a major step forward with a series of high-level visits being planned for the near future.

While in Japan to attend the coronation ceremony of Emperor Akihito, Vice-Premier Mr Wu Xueqian extended invitations to the Prime Minister, Mr Toshiki Kaifu, and Foreign Minister Mr Taro Nakayama to visit China.

In the meantime, the daughters of senior leader Mr Deng Xiaoping and President Mr Yang Shangkun, Ms Deng Rong and Ms Yang Li, are set to visit Japan next month as guests of the Sasakawa Foundation.

Mr Nakayama had in theory accepted the invitation, saying he would make the visit "at the earliest date". Mr Kaifu said he would "consider a visit to China when the opportunity arises".

The visits by the senior Japanese leaders would mark the full-scale restoration of relations between the two countries to pre-June 4 levels.

Even before the European Community lifted sanctions on China last month, Tokyo had taken the lead among Western countries to resume full ties with Beijing.

Diplomats in Beijing and Tokyo said Mr Nakayama would probably go to Beijing in early 1991.

Before the June 4 crackdown, the foreign ministers of the two countries had held meetings at least once a year.

Diplomatic analysts say a good excuse for the visit of Mr Kaifu would be the official opening of the Chinese-Japanese Youth Centre, a culture complex built with Japanese aid which is considered a symbol of good bilateral ties.

However, the analysts say, Mr Kaifu is careful about not pushing Japanese-Chinese ties too far ahead of Sino-American relations. And his trip to Beijing would be expedited if Washington was to decide to restore ministerial-level visits with China in the near future.

Despite the fact that Beijing has recently lodged protests against the Japanese claim to the Diaoyutai Islands, as well as Tokyo's earlier plans to send troops to the Gulf, Mr Wu's talks with Japanese leaders were marked by a warm cordiality.

According to the official New China News Agency, during talks yesterday, Mr Wu and Mr Kaifu agreed that both sides should "make further efforts to develop bilateral relations".

Mr Wu stressed the importance of "harmonising views on major bilateral and international issues" through the exchange of visits by leaders of the two countries.

Mr Kaifu said he hoped China would continue pursuing its reform and open door policies.

Mr Wu promised Mr Kaifu that Beijing would continue efforts towards economic reform in the forthcoming five-year plan.

Instead of attacking the "revival of Japanese militarism", Mr Wu told the Japanese leaders China understood that "Japan wants to make a major contribution to the maintenance of world peace".

That Beijing would not pursue the "militarism" charge is also apparent from the fact that the host of the visit by Ms Deng Rong and Ms Yang Li is Mr Ryoichi Sasakawa, known as a major militarist during the Second World War.

Chinese sources said that Ms Deng and Ms Yang had also agreed to serve as directors in a company under the Sasakawa Foundation, a philanthropic institution.

Diplomats say that despite his anti-communist background, Mr Sasakawa has excellent personal connections with Mr Yang, Vice-President Mr Wang Zhen and the Deng family.

Discusses Ties With Japan's Kaifu

HK1411033990 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 14 Nov 90 p 6

[XINHUA report by Zhang Huanli (1728 3562 0448): "Japanese Prime Minister Kaifu Meets Chinese Vice

Premier Wu Xueqian; Both Agree To Further Develop Relations of Friendship and Cooperation Between the Two Countries"]

[Text] Tokyo, 13 Nov (XINHUA)—Japanese Prime Minister Toshiki Kaifu met with Wu Xueqian, vice premier and representative of the Chinese delegation to Emperor Akihito's enthronement ceremonies, this morning at the Tokyo Japanese Government Guesthouse. At the meeting, both sides agreed to expand Sino-Japanese relations of friendship and cooperation.

During the meeting, Prime Minister Kaifu expressed his gratitude to Chinese Vice Premier Wu Xueqian for attending the enthronement ceremonies for the Emperor and Empress as the representative of the Chinese Government. Vice Premier Wu Xueqian thanked Prime Minister Kaifu for meeting him in spite of a busy schedule. On Sino-Japanese relations, Wu Xueqian thanked Kaifu for his efforts to resume and improve bilateral relations. He also voiced his expectations for the further development of Sino-Japanese relations. Kaifu said the Japanese Government is willing to further develop friendship and cooperation ties with China. He called for joint efforts for this purpose.

Wu Xueqian expressed agreement with Prime Minister Kaifu's proposal on the gradual development of Sino-Japanese relations. Wu said the leaders of the two countries should have frequent contact to exchange views on bilateral and major international issues of common concern, particularly on some sensitive issues. Wu Xueqian also briefed Kaifu on China's domestic situation. Viewing Wu Xueqian's visit as a turning point, Kaifu expressed hope that greater progress would be made in Japanese-Chinese relations. He also hoped China would continue to make headway in its economic construction and other fields. He promised that Japan would cooperate fully with China in this task.

Meets Former Japanese Prime Minister

OW1411092590 Beijing XINHUA Domestic Service
in Chinese 1119 GMT 13 Nov 90

[By reporter Zhang Huanli (1728 3562 0448)]

[Text] Tokyo, 13 November (XINHUA)—In his meeting with Vice Premier Wu Xueqian at the New Otani Hotel in Tokyo this morning, Noboru Takeshita, former prime minister of Japan, said that he will continue to work for the development of Japanese-Chinese relations.

During the meeting, Takeshita happily recalled his meeting with Chinese friends in his hometown in Shimane Prefecture 33 years ago. Takeshita said: "From now on, my political career will be aimed at expanding Japanese-Chinese relations and supporting China's policy of reform and opening up to the outside world. I will be very contented if I can do something in this respect."

Wu Xueqian spoke highly of Takeshita's idea. He stressed that Sino-Japanese relations have reached the

present stage because there are many politicians in Japan like Mr. Takeshita who are eager to promote Sino-Japanese friendship.

Mutsuki Kato, chairman of the LDP's [Liberal Democratic Party] Policy Affairs Research Council, and Keizo Obuchi, former chief cabinet secretary, were present at the meeting between former Prime Minister Takeshita and Vice Premier Wu Xueqian.

Masaharu Gotoda, president of the Japanese-Chinese Friendship Association and former chief cabinet secretary, also met with Vice Premier Wu Xueqian at the New Otani Hotel this morning. He expressed his desire to work for the full restoration of Japanese-Chinese relations.

The former Japanese ambassador to China, Taiei Katori, also called on Vice Premier Wu Xueqian at the New Otani Hotel this morning.

Yang Zhenya, Chinese ambassador to Japan, and Xu Dunxin, assistant to the Chinese foreign minister, were present during Wu Xueqian's meeting with Takeshita and Gotoda.

Concludes Visit, Departs

OW1411110290 Beijing XINHUA in English
1035 GMT 14 Nov 90

[Text] Tokyo, November 14 (XINHUA)—Chinese Vice Premier Wu Xueqian left here this afternoon for home winding up his four-day visit after attending Japanese Emperor Akihito's enthronement ceremony on Monday as the representative of the Chinese Government.

During his stay in Tokyo, Wu was received in audience by Emperor Akihito, and held talks with Japanese Prime Minister Toshiki Kaifu, Foreign Minister Taro Nakayama and other Japanese veteran politicians on further development of Sino-Japanese relations.

Conveying Chinese Premier Li Peng's invitation to Toshiki Kaifu to visit China, the Chinese vice premier also invited Nakayama to visit China.

Wu arrived here on Sunday with his eight-member entourage.

Before his departure, Wu also had discussions on bilateral ties with Djibouti President Hassan Gouled Aptidon.

Southeast Asia & Pacific

New Indonesian Envoy Previews Suharto's Visit

OW1311133390 Beijing XINHUA in English
1145 GMT 13 Nov 90

[Text] Beijing, November 13 (XINHUA)—President Suharto's upcoming visit to China represents a "sincere effort" to ensure a steady expansion of Sino-Indonesian relations of cooperation, Indonesia's ambassador to China said today.

Suharto is scheduled to start a six-day state visit to China tomorrow, as guest of Chinese President Yang Shangkun and Premier Li Peng.

In an interview with XINHUA today, Ambassador Abdurahman Gunadirja, said that President Suharto's visit "can be translated as a sincere effort of the Indonesian side, in particular of the president, that our relations should not be based on past experiences but on cooperation in the future conducive to the development of our respective countries."

Gunadirja formally assumed office today as the first Indonesian ambassador to China since the two countries normalized their relations in August. He presented his credentials to Chinese President Yang Shangkun this afternoon.

Indonesia and China share centuries-old friendly contacts, with long-standing cultural and trade ties, the ambassador noted in the interview.

The furthering of bilateral relations after normalization, not only conforms with the interests of the two countries, but also will benefit world as well as regional stability and peace, he said.

As the two countries are complementary in terms of natural resources and production of commodities, he said, bilateral cooperation enjoys broad prospects.

For a "speedy implementation of the follow-up of normalization," contacts should be increased not only between government officials, but also between businessmen and entrepreneurs, he said.

One of the focuses of President's Suharto's visit will be economic and trade relations, he disclosed.

The ambassador expressed the confidence that President Suharto's visit will help ensure a "natural and steady" development of relations between Indonesia and China.

Indonesian President Arrives for Six-Day Visit

*OW1411073490 Beijing XINHUA in English
0718 GMT 14 Nov 90*

[Text] Beijing, November 14 (XINHUA)—Indonesian President Suharto flew in this afternoon for a six-day state visit to China.

Suharto, invited by Chinese President Yang Shangkun and Premier Li Peng, is the first top leader of Indonesia to visit China since 1964. The visit came three months after Li Peng's August visit to Indonesia, during which the two countries normalized their relations.

Suharto's entourage includes more than 100 people, among them are Mrs. Suharto and their two daughters; Indonesia's coordinating minister for the economy, finance, industry and development supervision, Radius Prawiro; Foreign Minister Ali Alatas and State Minister Moerdiono.

Greeting Suharto at the airport were Chairman of the Chinese Government Reception Committee Minister Zheng Tuobin of Foreign Economic Relations and Trade, and Vice Foreign Minister Qi Huaiyuan.

Suharto will be officially welcomed into Beijing at a ceremony held by Yang Shangkun later this afternoon.

Welcomed by Yang Shangkun

*OW1411105590 Beijing XINHUA in English
1032 GMT 14 Nov 90*

[Text] Beijing, November 14 (XINHUA)—Chinese President Yang Shangkun presided over an official ceremony in the Great Hall of the People here this afternoon to welcome Indonesian President Suharto, who arrived earlier today for a six-day state visit.

Suharto, accompanied by Yang, reviewed a guard of honor composed of the three services of the Chinese People's Liberation Army. He was also honored by a 21-gun salute and the playing of Indonesia's and China's national anthems.

Present at the ceremony were Peng Chong, vice-chairman of China's National People's Congress Standing Committee; Foreign Minister Qian Qichen; and Chairman of the Chinese Government Reception Committee Zheng Tuobin, who is minister of foreign economic relations and trade.

After the ceremony, Yang and Suharto had a meeting in the Great Hall of the People.

Cambodian President Sihanouk Arrives in Beijing

*OW1411080990 Beijing XINHUA in English
0746 GMT 14 Nov 90*

[Text] Beijing, November 14 (XINHUA)—Cambodian President Norodom Sihanouk and his wife arrived here today from Pyongyang.

They were greeted at the airport by Chinese Vice-Foreign Minister Qi Huaiyuan and diplomatic envoys to China from Cambodia and the Democratic People's Republic of Korea.

Micronesian President Meets With Shanghai Mayor

*OW1011062590 Shanghai City Service in Mandarin
2300 GMT 8 Nov 90*

[By station reporter (Yao Shukun); from the "Morning News" program]

[Text] Zhu Rongji, mayor of Shanghai Municipality, met President and Mrs. John Haglclgam of the Federated States of Micronesia and his party in the Jinjiang Guesthouse on the evening of 8 November.

Zhu Rongji warmly welcomed President Haglclgam on his first visit to Shanghai and briefed the guests on Shanghai's economic construction situation and its reform and opening to the outside world.

President Haglelgam said he was very pleased to have this opportunity to visit Shanghai. He said he learned a great deal during his visit. He hoped China and Shanghai will become more prosperous and powerful and that the friendly relations between Micronesia and China will continue to develop.

Zhu Rongji stated that all countries, big or small, should learn from each other. Li Lanqing, Liu Zhenyuan, and others were present at the meeting. Following the meeting, Zhu Rongji hosted a banquet in honor of President and Mrs. Haglelgam.

On 8 November in a driving rain, President Haglelgam visited village and town enterprises and schools and called on peasants in their homes in (Maqiao) Township, Shanghai County. The Micronesian guests also visited the Shanghai [words indistinct] Institute and the (Longhua) Hospital in the afternoon.

Concludes Visit, Departs 10 Nov

OW1011174490 Beijing XINHUA in English
1434 GMT 10 Nov 90

[Text] Shanghai, November 10 (XINHUA)—Micronesian President John Haglelgam wound up his visit to China and left Shanghai by plane today.

Haglelgam arrived in Shanghai November 7 from Qingdao, accompanied by Li Lanqing, chairman of the Chinese Government reception committee and vice-minister of foreign economic relations and trade. During his stay in Shanghai, the president visited Maqiao County in the suburbs, the Minhang economic and technological development area, a college of traditional Chinese medicine and a furniture factory.

Near East & South Asia

Spokesman on Jordanian Prince's Visit to Taiwan

OW1411092990 Beijing XINHUA in English
0911 GMT 14 Nov 90

[Text] Beijing, November 14 (XINHUA)—Chinese Foreign Ministry spokesman stressed here today that any visit to Taiwan by leaders of those countries having diplomatic relations with China, no matter whether in an official or private capacity, is unacceptable.

Asked by correspondents to comment on the recent visit to Taiwan by Jordanian Crown Prince Hasan, the spokesman said, "We are resolutely opposed to the Taiwan authorities' attempt to create 'Two Chinas' or 'One China, One Taiwan' by means of the so-called 'substantive diplomacy' and by winning over with money.

"When establishing diplomatic relations with the People's Republic of China, the Government of the Kingdom of Jordan declared in explicit terms that it recognized the Government of the People's Republic of China as the sole legal government representing the whole Chinese people. Any visit to Taiwan by leaders of

those countries having diplomatic relations with China, no matter whether in an official or private capacity, is unacceptable."

'Authoritative Person' on Qian's Mideast Tour

HK1411070790 Hong Kong WEN WEI PO in Chinese
14 Nov 90 p 2

["Special Dispatch" by Beijing-based staff reporter Chen Chien-ping (7115 1696 1627): "An Authoritative Person in Beijing Views Foreign Minister Qian's Middle East Trip"]

[Text] Beijing, 12 Nov—An authoritative person here disclosed that when meeting Iraqi President Saddam Husayn several days ago, Chinese Foreign Minister Qian Qichen did his best to explain the gains and losses which might arise from the Gulf crisis and to persuade Iraq to accept the troop withdrawal proposal in order to prevent the outbreak of a destructive war. As a state, Iraq should preserve its strength.

China is the only UN permanent member nation able to shuttle between the four Arab states, and Foreign Minister Qian's Middle East trip is aimed at finding a peaceful solution to the Gulf crisis, the authoritative person said. He added that the foreign minister's purpose in meeting Saddam Husayn was to make Iraq understand the disadvantages it is facing and to advise him against doing something foolish.

Foreign Minister Qian stressed as long as there is a glimmer of hope, the international community should make the best possible efforts to achieve a peaceful settlement of the Gulf crisis, the authoritative person pointed out; in other words, there is still hope for a peaceful settlement of the Gulf crisis. This understanding is based on the following: Sanctions against Iraq have produced certain effects; the Arab world has made efforts for a peaceful settlement of the Gulf crisis; the four-point proposal raised by the French president covers a peaceful settlement; a Soviet special envoy is paying a second visit to the Mideast to exert influence on the region for a peaceful settlement of the Gulf crisis; and Arab states headed by Saudi Arabia are considering a peaceful settlement better than the use of arms, which they originally proposed. Apart from this, anti-war sentiments are rising in the United States and Europe.

The authoritative person added the Chinese Government is not optimistic about the future of the Middle East. The United States is increasing its pressure for change in Iraq and is even trying to destroy Iraq with one swift stroke, but Iraq is using stalling tactics to change the situation. Because the military deployment of the multinational forces headed by the United States is almost completed, however, this tactic has proved to be less effective in ruling out the use of arms.

The Gulf crisis to which China refers has a two-fold meaning: first, the Iraqi invasion of Kuwait, and second, the stationing of a large number of U.S. and other countries' troops in the Gulf region, the authoritative

person explained. Therefore, since the outbreak of the Gulf crisis, the Chinese Government has adhered to the following: First, China objects to the Iraqi invasion and annexation of Kuwait. Second, it opposes the use of force and hopes for a peaceful settlement. China has always taken a cautious position to prevent the outbreak of a destructive war.

Article Sees Israel Becoming 'More Isolated'

HK1211150890 Beijing RENMIN RIBAO in Chinese
11 Nov 90 p 6

[Article by Ke Yuelin (2688 2588 7207): "Do Not Act Willfully"]

[Text] Israel's recent brutal suppression of the Palestinians in the Israeli-occupied territories has aroused strong indignation in the international community. The UN Security Council has passed two resolutions condemning Israel's atrocity and making it clear that it will investigate this massacre. UN Secretary General Javier Perez de Cuellar called for the opening of an international conference on protecting the citizens in the occupied territories. The condemnation unanimously expressed by the international community was a severe blow for the Israeli authorities. It also expressed that armed suppression does not enjoy popular support.

But it was astonishing for an Israeli Foreign Ministry spokesman to say that the UN secretary general's proposal was "quite dangerous" and to describe it as the "world's biggest meeting of murderers."

Who is killing people, after all? The whole world can see for itself and there is no need to explain. People cannot but admire this spokesman's ability in describing an international conference "to stop killing" as a "meeting of murderers." In this case, Israel seems to be the "victim" and the United Nations has become the "world's biggest murderer." This is utterly ridiculous. Obviously, the Israeli authorities' vilification of the international community suggests their obstinate persistence in committing willful atrocities and their unwillingness to change their aggressive and expansionist stand on the Palestinian issue.

What a coincidence that Israeli occupying troops carry out another massacre in the Gaza Strip one day before the Israeli Foreign Ministry spokesman made this speech. Initial statistics show that another four Palestinians were killed and 150 others were injured. Is it not clear who should be "crowned" with the name of "murderer"?

The Middle East situation really is "quite dangerous" now. But unlike the description given by the Israeli Foreign Ministry spokesman, the root cause of the danger is not the UN secretary general's proposal to hold an international conference on protecting the citizens in the occupied territories; instead, it is the Israeli occupation of the West Bank of the Jordan River and the Gaza Strip. If the Israeli authorities are still bent on their atrocities and refuse to change their aggressive policy,

the Palestinian people will continue their struggle for national rights and the Israeli authorities will become more isolated in the international community.

Sudan's Al-Bashir Meets With Jiang Zemin

OW0911134090 Beijing XINHUA in English
1306 GMT 9 Nov 90

[Text] Beijing, November 9 (XINHUA)—Chinese Communist Party (CPC) leader Jiang Zemin and Sudanese leader 'Umar Hasan Ahmad al-Bashir today expressed satisfaction at the steady growth of friendly relations between the two countries.

According to Chinese Foreign Ministry sources, at a meeting here this afternoon, al-Bashir, chairman of the Command Council of National Salvation Revolution, told Jiang, CPC general secretary, that the Sudan lays great store by its "brotherly relations" with China because Chinese aid to the Sudan has always been sincere and with no conditions attached.

Third World countries should strengthen unity and cooperation under the current international situation, al-Bashir said.

Al-Bashir also explained the Sudan's domestic and foreign policies including its position on the Gulf crisis.

Jiang said that China's aid to the Sudan is insignificant and it is only meant to show China's sympathy for the Sudan.

Both China and the Sudan belong to the Third World, sharing the same destiny and having similar experience, Jiang said.

The Sudan has also given China much help politically and in other fields, he added.

Talking about domestic affairs, Jiang stressed the importance of a peaceful international environment and domestic stability.

"Without political stability and unity, it is impossible to push forward the economy. On the other hand, economic development will help consolidate political stability and unity," he said.

Talks Stress Friendship

OW1011084190 Beijing XINHUA Domestic Service
in Chinese 1221 GMT 9 Nov 90

[From Local Broadcast News Service]

[Text] Beijing, 9 Nov (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, held friendly talks with 'Umar Hasan Ahmad al-Bashir, chairman of the [Sudanese] Revolutionary Command Council for National Salvation, on expanding relations between the two countries and other issues in Zhongnanhai this afternoon.

According to Chinese Foreign Ministry officials, during the meeting Jiang Zemin expressed satisfaction with the

smooth progress of relations between the two countries and also praised their traditional friendship.

Al-Bashir expressed his thanks for the warm reception he received from the Chinese Government and people. He expressed his satisfaction with the continued progress in the relations between the two countries and said he looked forward to expanding these relations through his visit. He emphasized that Third World countries must strengthen unity and cooperation under the current grim international situation.

He said that Sudan highly values its brotherly relations with China and that China has always been sincere in offering unconditional assistance to Sudan. Al-Bashir also briefed his host on the Sudanese Government's domestic and foreign policies, including its position on the Gulf situation.

Jiang Zemin said: China's aid to Sudan is insignificant, not worth mentioning; it is simply a token of our sympathy. Both China and Sudan are Third World countries and share a similar destiny and experiences. Aid is mutual. Sudan also has helped China politically and in other areas.

While briefing his guest on China's situation, Jiang Zemin said: Past experience has proved that there must be a peaceful international environment and domestic stability and unity if China is to succeed in promoting construction and development. It would be impossible to promote economic development without political stability and unity. Of course, economic development would, in turn, promote political stability and unity.

More on Meeting With Jiang Zemin

EA1011154890 Omdurman Domestic Service
in Arabic 0430 GMT 10 Nov 90

[Excerpts] Mr. Jiang Zemin, general secretary of the Chinese Communist Party, has received Lieutenant General 'Umar Hasan Ahmad al-Bashir, chairman of the Revolution Command Council, at party headquarters in the Chinese capital, Beijing. The general secretary welcomed Lt. Gen. 'Umar and spoke on the depth of Chinese-Sudanese relations. He called for their expansion and reinforcement in all areas.

Lt. Gen. 'Umar expressed his satisfaction with the firm relations between the two countries and China's continuing support for Sudan. His excellency expressed his hope that this cooperation will continue—in spite of the international situation, world changes, and the international economic situation—for the benefit of the Chinese and the Sudanese peoples.

Lt. Gen. 'Umar affirmed, moreover, that Sudan has been trying, since the eruption of the Gulf crisis, to preserve the unity of the Arab nation and to resolve the issue within a purely Arab framework. He explained that all the foreign forces have aims that are incompatible with the interests of the Arab nation. His excellency stressed the necessity of holding consultations on how to resolve this crisis peacefully

within an Arab framework and without destroying Arab power and Arab installations at a time when another enemy lies in wait for us, namely Israel, which wants to establish greater Jewish state. This statement was made during a meeting at his residence at the Guest Palace in Beijing where his excellency met with ambassadors of Arab states accredited to the People's Republic of China. His excellency expressed his happiness at this meeting devoted to Arab unity, which is the hope of all in a world that only accommodates the strongest and in which small entities are exposed to oblivion.

He pointed out the danger of disunity, by which the enemy is trying to weaken the Arab nation. His excellency said: We Sudanese sense the danger of this conspiracy because it will most definitely have a negative effect on Sudan.

Lt. Gen. 'Umar also met with African ambassadors at his residence. He reviewed the efforts of the Sudanese Government to deal with the internal problems which the revolution inherited from the previous regimes, primarily the southern problem. He explained that the revolution held a peace conference and laid down a program for resolving the basic issues concerning the distribution of wealth, power-sharing, balanced development, and regulating the relationship between religion and the state. It had sanctioned the federal system as a basis for governing Sudan.

Lt. Gen. 'Umar explained during the meeting that there are African states that are facing security problems. African leaders are striving to solve these problems and bring about development and construction under international circumstances that require from us, as Africans, more cohesion and more solid cooperation to resolve our problems. He pointed to the efforts of the Inter-Governmental Agency on Drought and Development states and the conferences that have been held at the level of presidents and foreign ministers to settle all the problems between the states of the region. In his meeting with the ambassadors of African states in Beijing, his excellency also emphasized the necessity to contain the economic problem in Africa and to promote economic cooperation and trade. In this respect, he commended the Preferential Trade Area grouping which comprises Southern and East African states. He expressed his hope that this group will create an African economic market.

He also spoke about his visit to China, which falls within the framework of cooperation with countries of the Third World. He explained that Sudan had declared this year as Africa Year. [passage omitted]

Lt. Gen. 'Umar also held a meeting at the Sudanese Embassy in Beijing with Sudanese students and the Sudanese community and the embassy staff. In this meeting, he reviewed the revolution's efforts and its hopes for building a Sudan that in the future relies on its own resources. He drew attention to the economic salvation program. He also explained the revolution's efforts to establish peace in the south of the country. He

also discussed the resolutions of the national dialogue conference on the political system. At this meeting Lt. Gen. 'Umar affirmed the revolution's intention to irrigate 700,000 feddan in Wadi al-Muqaddam [word indistinct] the White Nile to absorb those affected by drought in North Kurdufan and change their way of living to one of permanent settlements. He affirmed the revolution's determination for self-sufficiency this year in wheat, God willing, by producing about a million tons, which is Sudan's annual wheat requirement.

Holds News Conference

EA1111160690 Omdurman Domestic Service in Arabic
0430 GMT 11 Nov 90

[Excerpts] Lieutenant General 'Umar Hasan Ahmad al-Bashir, chairman of the Revolutionary Command Council [RCC] and of the Council of Ministers, along with the delegation accompanying him, has concluded his official visit to China following the signing of a number of agreements between Sudan and China. Lt. Gen. 'Umar will leave Beijing today for Tokyo to participate in the celebrations of the enthronement of the emperor of Japan. For more details, we now hear a dispatch from the reporter accompanying Lt. Gen. 'Umar:

[Begin unidentified reporter recording] At noon on Saturday, the two chairmen, Lt. Gen. 'Umar Hasan Ahmad al-Bashir, chairman of the RCC, and Mr. Li Peng, chairman of the Chinese State Council, were present at the signing of two agreements on economic and cultural cooperation. Dr. 'Awad Ahmad Rijaz, minister of commerce, cooperation, and supply, signed the economic cooperation agreement, while Dr. Anwar al-Hadi, Sudan's ambassador to China, signed the cultural cooperation agreement between the two countries.

After the agreements were signed, the two chairmen spoke. Mr. Li Peng expressed his happiness with this visit, which falls within the framework of strengthening the relations of friendship between the two countries. Lt. Gen. 'Umar al-Bashir invited the chairman of the Chinese State Council to visit Sudan. His excellency accepted the invitation, the date to be fixed in the immediate future through diplomatic channels.

Lt. Gen. Umar al-Bashir then held a news conference after the two sides ended their talks. A number of correspondents from world news agencies, radios, and the press attended. Lt. Gen. 'Umar explained again Sudan's position on the Gulf issue and the need to resolve it peacefully within an Arab framework. He confirmed Sudan's commitment to the UN Security Council's resolutions. In an answer to the REUTER correspondent based in the Chinese capital, his excellency said that there will be no war, ~~explaining~~ the destructive effects of war in the Gulf region.

Lt. Gen. 'Umar also spoke about the southern problem which the revolution inherited; it heads the list of its priorities. [passage omitted] In his speech, he noted the rebel movement's links with foreign forces whose orders

it carries out, a situation that impedes peace efforts, despite the movement's satisfaction with the conference's outcome with regard to the distribution of wealth, the sharing of power, the balance of development, and the relationship between religion and the state.

Lt. Gen. 'Umar al-Bashir described his visit to China as successful and fruitful. He pointed out that the Chinese leadership has shown a responsive attitude and explained that his visit will provide a good start for expanding relations between the two countries. His excellency said China is regarded as a friendly state and we are linked to it through a relationship of friendship and cooperation because China's foreign policy is based on peaceful coexistence and cooperation, free from pressures and political gains.

On the other hand, Mr. 'Ali Ahmad Sahlul, the foreign minister, stated that there is a concurrence in viewpoints between the two sides on all issues of common interest, primarily on the Gulf crisis. The Chinese leaders also displayed their understanding of Sudan's views on the crisis and on issues regarding the Horn of Africa. Sudan understood China's views on the Cambodian issue. The two sides reviewed the international economic situation and its repercussions on Third World states. Agreement was reached on the need to achieve stability through self-reliance.

In addition, Dr. 'Awad Ahmad Rijaz, minister of commerce, cooperation, and supply, told us that Sudan and China have agreed to develop economic relations to a level that will increase trade exchanges and development projects. The existing trade protocol has also been upgraded so that exchanges between the two countries will be in the direct interest of the two peoples. The minister of commerce, cooperation, and supply explained that the volume of loans offered by China for development projects in Sudan has been increased. Technical groups will specify the projects precisely and the manner of implementing them.

Mr. al-Sadiq Bakhit, press adviser to the chairman of the RCC and chairman of the cultural committee during the talks, also explained that the cultural agreement includes cultural, educational, youth, and sports sectors. Fruitful discussions were held between China and Sudan. Agreement was reached on the need to intensify cultural exchanges, exchange visits, hold exhibits, exchange expertise, train and provide scholarships in the educational sector, support the Sudanese acrobatic troupe, and activate sports exchanges.

Lt. Gen. 'Umar Hasan Ahmad al-Bashir, chairman of the RCC, accompanied by the ministers of finance and commerce, will leave for Tokyo this morning, Sunday, to attend celebrations for the enthronement of the Japanese emperor. The visit is expected to last two days, after which the chairman will return to Shanghai and from there to the state of Pakistan for a one-day visit. [end recording]

Leaves Beijing for Japan

OW1011120190 Beijing XINHUA in English
1055 GMT 10 Nov 90

[Text] Beijing, November 10 (XINHUA)—Sudanese Leader 'Umar Hasan Ahmad al-Bashir is scheduled to fly to Japan tomorrow at the end of his three-day visit to Beijing.

Chinese Premier Li Peng saw al-Bashir off at the Diaoyutai State Guesthouse this afternoon, congratulating him on the successes he had achieved on the visit.

Li Peng believed that the visit is conducive to pushing forward the friendly ties between China and the Sudan.

Al-Bashir described his visit as very successful and thanked China for granting assistance to the Sudan.

Al-Bashir invited Chinese President Yang Shangkun to visit the Sudan. Li Peng accepted the invitation on behalf of Yang.

Li Peng and al-Bashir attended this afternoon a ceremony at which an economic and technical cooperation agreement and a three-year programme for implementing a cultural agreement between the two countries were signed.

Earlier today, al-Bashir gave a press conference, briefing on the results of his talks with the Chinese leaders on bilateral relations and international issues.

Answering a question on the Gulf crisis, al-Bashir said that the Sudanese Government does not support Iraq's invasion and annexation of Kuwait. On the other hand, the Sudan is opposed to foreign military intervention in the crisis.

The Sudan will strictly abide by the resolutions on the Gulf crisis adopted by the United Nations Security Council, he added.

West Europe**More on Cancellation of Wan Li's UK Trip**

HK1411014190 Hong Kong SOUTH CHINA
MORNING POST in English 14 Nov 90 pp 1, 10

[By John Kohut in Beijing and Fanny Wong]

[Text] The chairman of China's National People's Congress (NPC), Mr. Wan Li, has put off indefinitely his trip to Britain, officially because of poor health.

Mr. Wan, a leading reformer, would have been the most senior government official to visit the West since the Beijing massacre in June last year.

The postponement of his one-week trip, scheduled to start next Saturday, deprives China of an opportunity to add momentum to its drive for better ties with the West.

Although technically a non-government visit, Mr. Wan was to have met several senior British leaders including the Prime Minister Mrs. Margaret Thatcher.

A British official stressed that the postponement of the trip would not affect Sino-British relations, adding that Britain expressed the hope that Vice-Foreign Minister, Mr. Tian Zengpei, who would have accompanied Mr. Wan, would visit Britain as scheduled.

Discussions between the British Embassy in Beijing and the Chinese authorities are underway to try to reinstate the programme for Mr Tian and a decision is expected within a couple of days.

A British official said: "We don't know for sure he'll be prepared to go separately.

"Obviously, there is disappointment in London that Wan Li is not going. So we'll be quite keen for Tian to visit as soon as he can, preferably this year," he said.

"We're talking to the Chinese now to see whether we can fix up an alternative date."

According to the original plan, Mr Tian would have met Mrs Thatcher and the Foreign Secretary, Mr Douglas Hurd, while accompanying Mr Wan.

It was expected that the controversial airport plan for Hong Kong would be discussed.

If Mr Tian was to go by himself, officials said it was not sure whether he would meet Mr Hurd.

"There is no reason that the cancellation should have any effect (on the Sino-British ties)," an official said.

The Chinese Foreign Ministry said in brief statement yesterday that "as Mr Wan, chairman of the NPC Standing Committee, has been indisposed his doctors have advised him to rest for some time".

A new date for his visit would be fixed "through consultation between the Chinese and British sides", it said.

Yesterday, a British Embassy spokesman said there was no word yet on whether Mr Tian would be visiting Britain as scheduled.

There had also been plans for Mr Tian to travel to Belgium and Luxembourg for talks with European Community (EC) officials beginning around December 3 or 4.

However, Mr Tian has now put off the visit to another time, according to an EC official.

The first hint of the postponement of the Wan visit came late last week.

Mr Wan had accepted an invitation to a dinner in his honour at the British ambassador's residence in Beijing last Friday, but cancelled at the last minute, citing unspecified health reasons, even though he had been fit enough to meet the mayor of Regina, Canada only the day before.

Neither the Chinese Foreign Ministry nor the NPC Standing Committee would say what illness Mr Wan was suffering.

A spokesman for the NPC Standing Committee did say that in general, Mr Wan's health had been good.

Given Mr Wan's 74 years of age, Western diplomats said that postponement of the trip might indeed be for no reason other than poor health.

But they did not discount the possibility that the sudden change in plans was linked either to the health of Mr Deng Xiaoping, who has been rumoured to be ill, or to the need to remain in Beijing in the weeks leading up to a key party plenum next month.

Mr Wan's protege, Politburo member Mr Li Ruihuan, appears to have been losing ground to conservative rivals in his attempts to push for pragmatic, reformist policies.

Mr Deng's son, Mr Deng Pufang, said at the weekend that suggestions Mr Deng was in hospital were nothing more than a ploy to manipulate stock markets.

However, a Western diplomat said the Deng family car had been seen going to a hospital near Zhongnanhai, the walled expanse in central Beijing where most of China's senior leaders live, regularly for the past three or four days.

It was not clear if the visitors were there to see Mr Deng Xiaoping or some other official.

In China, "poor health" is often used as an excuse for cancelling appointments, and Mr Wan himself used that ploy last year to cut short a North American trip when the country was rocked by pro-democracy protests.

Zheng Tuobin Attends Sino-Turkish Trade Meeting

*OW121111790 Beijing XINHUA in English
1048 GMT 12 Nov 90*

[Text] Beijing, November 12 (XINHUA)—The Sino-Turkish Joint Economic and Trade Committee opened its eighth meeting here today.

Zheng Tuobin, Chinese minister of foreign economic relations and trade, and Kamran Inan, Turkish minister of state, attended the meeting.

According to sources, both sides will discuss the further promotion of co-operation in the fields of economy, trade, science and technology, in addition to an agreement on the protection of investment to be signed at the meeting.

The 1988-1989 trade volume between the two countries was 200 million U.S. dollars, more than doubling the figure for 1971, when the two countries established diplomatic relations. In 1987, they exchanged goods to the tune of 300 million U.S. dollars.

The bilateral technological co-operation has extended to the fields of water and electric power, leather processing, fisheries, forestry, medicine, seismology and restaurants.

Kamran Inan arrived here on November 10 at the head of a Turkish Government trade delegation, upon Zheng's invitation.

The visitors will later tour the cities of Shanghai, Guangzhou and Shenzhen.

Trade Agreements Signed

*OW1311131390 Beijing XINHUA in English
1210 GMT 13 Nov 90*

[Text] Beijing, November 13 (XINHUA)—Two documents on trade and investment between China and Turkey were signed here today.

The documents are the agreed minutes of the eighth session of the Chinese-Turkish Joint Economic and Trade Committee, and the agreement on mutual encouragement and protection of investment between China and Turkey.

They were signed by Zheng Tuobin, Chinese minister of foreign economic relations and trade, and Kamran Inan, Turkish minister of state.

Latin America & Caribbean

Argentine President Arrives in Beijing

*OW1411080390 Beijing XINHUA in English
0629 GMT 14 Nov 90*

[Text] Beijing, November 14 (XINHUA)—Argentine President Carlos Saul Menem flew into Beijing today on a state visit to China at the invitation of Chinese President Yang Shangkun.

This is the first time that President Menem pays a visit to China.

The Argentine president was greeted at the airport by Chairperson of the Chinese Government Reception Committee Wu Wenying and others.

Menem's party includes Argentine Ambassador to China Arturo Ossorio Arana, Minister of Economy Antonio Erman Gonzalez and Admiral Emilio V. Osses, joint chief of staff of the Armed Forces.

According to the agenda offered by the Chinese Foreign Ministry, Chinese President Yang Shangkun is scheduled to hold a welcoming ceremony for President Menem tomorrow morning and have talks with him. General Secretary of the Chinese Communist Party Jiang Zemin will also meet Menem in the morning. Premier Li Peng will hold talks with Menem in the afternoon.

Economic Agreements Previewed

HK1411033690 Beijing CHINA DAILY in English
14 Nov 90 p 2

[By staff reporter Qu Yingpu]

[Text] Argentine President Carlos Menem is scheduled to arrive in Beijing today at the invitation of Chinese President Yang Shangkun, hoping to promote trade and investment between the two countries.

During Menem's three-day tour in Beijing, officials from the two countries are expected to sign three pacts to secure growing bilateral economic exchanges.

One of the deals aims to provide preferential treatment on establishing joint ventures in either country, an official with the Ministry of Foreign Economic Relations and Trade (MOFERT) told CHINA DAILY.

Under the agreement, both governments will support investment in industrial, agricultural and fishery projects by providing loans and other services, said Shu Yunxiang, the MOFERT official in charge of Sino-Latin American trade.

Chinese and Argentine companies have contracted to invest \$823,300 to establish joint ventures in the fields of clothes manufacturing and sales, fisheries and energy development in Argentina.

The second agreement to be signed with the Bank of China is to extend the \$20 million export credit loans to Argentina, Shu said.

The third agreement, Shu said, is a letter of intent under which China promises to import grain from Argentina. He declined to disclose how much China will buy. On average, Argentina sells more than one million tons of wheat to China every year.

Shu said Sino-Argentine trade has been developing rapidly since the two countries established diplomatic relations in February 1972.

The highest bilateral trade mark was set in 1983, hitting \$656.93 million compared with about \$6 million in 1972.

Last year, trade turnover between the two countries was \$576 million. In this figure, China's imports accounted for \$567 million, including 1.05 million tons of wheat, 150,000 tons of steel products, 8,200 tons of wool, \$6.48 million worth of raw petro-chemical materials, 369 million tons of soya bean oil, and paper, frozen fish and tobacco.

China's exports to Argentina last year were \$8.91 million, including \$1.4 million worth of textiles, \$1.5 million of light industrial products and \$3.3 million of chemical products.

Shu predicted that this year's bilateral trade volume would be around last year's level. During the first 10 months of this year, trade between China and Argentina totalled \$278.01 million.

Of the figure, China's exports climbed 3.28 percent over the same period last year to \$7.73 million while imports totalled \$270.28 million, down 42.59 percent.

Political & Social

Yang Shangkun Comments on Reunification

HK1311071390 Beijing RENMIN RIBAO in Chinese
10 Nov 90 pp 1, 4

[Text] Beijing, November 9—President Yang Shangkun made a speech during an interview with a CHINA TIMES reporter on 24 September 1990. The full text of his speech is as follows:

I am glad to meet friends from CHINA TIMES. For the last few years your newspaper has published many reports on the exchanges between the two sides. During the Asian Games, Taiwan press agencies sent many reporters to China. They provided live coverage of the Asian Games' opening ceremony. This is very good, this is a kind of communication.

The situation in the relationship between the two sides of the Taiwan Strait is much better now than several years ago. First, visitors from the island have been increasing. They have included not only those visiting their relatives or for tourism, but also many scholars in the intellectual circle and government functionaries, as well as some higher-positioned persons of the Kuomintang. Before the death of Chiang Ching-kuo, there had not been such a situation. At that time, there was a strict blockade. Nowadays, however, more and more visitors are coming. Besides, the press in Taiwan has sent journalists here whenever there was an important event. This has greatly benefited the linking between the two sides of the Taiwan Strait.

We hold that the two sides should be reunified as soon as possible. Taiwan has originally been a part of China and a member of the big family of the Chinese nation. Through the ages, there have been occasions of separation of Taiwan from the mainland, which were all caused by outside forces. The current over-40-year separation of the two sides is a result of the struggle between two political parties, namely the Kuomintang (KMT) and the Communist Party of China (CPC). It was also man-made. With the founding of New China, the KMT went to Taiwan. We have always wanted to resolve the Taiwan issue. In his lifetime, Mr. Mao Zedong once proposed that it should be better for the two sides to negotiate on the reunification and make a concerted effort for reconstructing China.

After the death of Chiang Ching-kuo, Taiwan has opened wider and the exchanges between the two sides of the strait have increased. During his lifetime, Chiang Ching-kuo persisted in the position of "one China" and stressed less and less the slogan of "counterattacking the mainland." At the same time, we were thinking about how to realize the reunification and raised the position of "one country, two systems." The position was raised by Mr. Deng Xiaoping. It was then discussed by the Political Bureau of the CPC Central Committee and expressed by Mr. Deng Xiaoping in his meeting with Yang Li-yu to inform the Taiwan authorities.

"One country, two systems" means Taiwan will not be the same as the other provinces in the mainland, but a special administrative region under the jurisdiction of one China, which can enjoy a higher degree of autonomy than the autonomous regions in the mainland and can carry out a different social system from that of the mainland. You can carry out your "three principles of the people" and I can carry out my socialism. We will not interfere with each other. Besides, Taiwan can retain its Armed Forces. The mainland will not send any person to Taiwan to take part in governmental administration. We welcome Taiwan to send some persons to the mainland to participate in the central government.

We advocate "the three exchanges" (the exchange of mail, exchange of trade, and exchange of air and shipping services). The problem now is that the exchange between the two sides of the strait has not become two-way and fair. So far, the number of visitors from Taiwan to the mainland has surpassed 1.6 million, while that from the mainland to Taiwan is only between 6,000 and 7,000. This is out of proportion. Taiwan has taken very strict precautions against and imposed many restrictions on those coming from the mainland. We have imposed no restrictions against those from Taiwan. Government functionaries and high-positioned persons of the Kuomintang are all welcome to the mainland. Members of the democratic progressive party have also been here. And even more people who reside in Taiwan or have settled abroad have been here.

"The three exchanges" are good for linking the two sides of the strait. For example, we have advocated direct trade, which has not been realized yet. Taiwan needs coal produced in the mainland, which we would like to supply. Since there is no direct trade now, however, entrepot trade has to be done, thus increasing the costs. In the exchange of personnel, Taiwan has practiced political discrimination against people from the mainland by demanding CPC members to give up their party memberships. There are 50 million CPC members on the mainland. They will, of course, not go if they are required to fill in a form to give up their CPC memberships. As a result, many relatives of the people in Taiwan cannot go to Taiwan to visit their kith and kin, because they are CPC members. On the contrary, we have never showed concern for the political status of those from Taiwan, never asked them whether they are members of the Kuomintang, and never demanded that they give up their KMT memberships. Therefore, "the three exchanges" at present are unfair. Among the population of 20 million in Taiwan, 1.6 million have been to the mainland, while only several thousand out of the 1.1 billion people on the mainland have been to Taiwan. This is not equal.

In the past, some people on the island said that we were afraid to let the people in Taiwan come to the mainland to see the backwardness in the mainland, but welcomed the people from the mainland to go to Taiwan to see the prosperity in Taiwan. But, this is not the fact. It is the Taiwan authorities' policies that do not allow us to go.

I've read many newspapers of Taiwan and found that not all of the many people having visited the mainland have spoken ill of the mainland after they returned to Taiwan. This is just like if we would not consider everything in Taiwan as good. We have never evaded the problems in the mainland, and we have also held that there are some things in Taiwan worth learning from. If more people come, they will observe by their own eyes and draw their own conclusions. One should appraise a society with a fair attitude, and every society will have its merits. If one looks for a bone in an egg, one will find shortcomings in everything. Some of the Taiwan authorities have not understood this truth. First, they are afraid that we might develop our united front. Second, they are afraid that we might "brainwash" those from Taiwan and turn them into our spies. In fact, we have prohibited since the very beginning practicing this on all from Taiwan because this will not help the reunification.

"The three exchanges" are aimed at gradually eliminating antagonism between the two sides and increasing mutual understanding. So long this is done the relations between the two sides of the strait can be more harmonious. In this field, we have done more than Taiwan.

How to realize the goal of "one country, two systems" should be negotiated by the KMT and CPC on an equal basis. Though some messages have been conveyed in recent years, a link between the two parties has not been established. Of course, barriers may exist, but so long as the two sides are willing to talk, it is not necessary to start negotiations between senior officials; they may start between junior officials, and they can put forward any opinions they have.

Some people in Taiwan claim that the living standard of the mainland is lower than that of Taiwan and use this as an excuse for postponement of reunification. I consider it an excuse and unreasonable. Taiwan's population is small. By comparison, the mainland has many things that Taiwan has not, such as big iron and steel works, big machine-building plants and sophisticated electronics. Taiwan is better than us in management expertise, but we are learning. Thus, not everything in Taiwan is better than on the mainland.

In terms of overall strength, Taiwan is a lean person and the mainland is a fat person. Per capita income cannot be taken as a precondition for reunification. Moreover, the reunification of the two sides of the strait is not aimed at confiscating the wealth of Taiwan people, nor at "overthrowing local tyrants." Our policy is to promote the development of the mainland as well as the development of Taiwan. The two sides can develop trade, which means supplying each other's needs. For example, the mainland produces one billion tons of coal and over 100 million tons of oil a year. Taiwan lacks iron and steel, coal and oil, while the mainland has rich resources and can supply Taiwan. If the two sides hold exchanges on an equal basis all questions can be resolved. After several decades of construction it is possible to make a fair comparison and see what achievements each has made.

The mainland has 16 million new births each year and it is necessary to make great efforts to solve the questions of food, clothing, education, and employment for the additional population.

We propose that the two parties sit down and have unconditional, peaceful negotiations based on the principle of "one country, two systems."

Negotiations have not started yet. This is unfortunate. If negotiations had started five years ago it would have benefited and promoted the development of both sides. As I know it is difficult for Taiwan to develop its industry because basically the industrial base there is processing industry. Though Taiwan has some electronics enterprises, they are small. We advocate "one country, two systems"—you go your way and I go my way. Taiwan implements the "three principles of the people." Also, we practice our socialism—you don't annihilate me and I don't annihilate you. But some people in Taiwan still don't believe this.

The most important thing at present is to have a link and establish a channel that will facilitate direct negotiations between the two sides. In recent years many people from Taiwan have claimed that they represent the Taiwan authorities, and quite a few are political speculators. In order to have real negotiations, the most important thing is to establish links between leaders or institutions of the two sides. The negotiations may start from the lower levels and proceed step by step, and finally official negotiations can be conducted.

The reason why we have suggested negotiations between the KMT and CPC is based on consideration of the situation of the Taiwan side. If negotiations are not held between the two parties it will be difficult to handle the issue concerning the local government of Taiwan. To avoid this problem, we advocate that the KMT and CPC have negotiations on an equal basis. Therefore, when Li Teng-hui was elected chairman of the KMT we sent a message of congratulations in the name of the general secretary of the CPC Central Committee, expressing the hope of early reunification. But when he was elected "president" we could not congratulate him because there is only one China—the People's Republic of China. China has only one government, based in Beijing, and Taiwan has always been a province of China. This is unchangeable. At the beginning this question can be put aside, and negotiations can be focused on trade and cultural exchanges and other questions dealing with exchanges between the two sides. Of course, these measures can not solve the question of political reunification. But we have no intention of bullying a smaller counterpart. This shows our great tolerance and patience, and there is no room for retreat.

By no means can we recognize that Taiwan and the mainland are two governments on an equal footing, because that means two Chinas. Now, some people in Taiwan have racked their brains to raise the slogan "one

country, two regions." To realize reunification, the central government must be in Beijing and of the People's Republic of China. This is a supreme, non-negotiable principle. In order to avoid Taiwan people feeling that we are out to annex Taiwan, we put forward the principle of "one country, two systems." This principle was raised before the solution to the Hong Kong issue and it has been successful in solving the Hong Kong and Macao issues. Taiwan is different from Hong Kong and Macao, and thus it can have a different relationship with the central authorities from that of Hong Kong and Macao. We have entrusted persons to send a copy of the Basic Law of Hong Kong to Taiwan. We asked the authorities there to read it and to voice their opinions as to what adaptations should be adopted in the case of Taiwan. But there has been no reply until today.

On the question of China's reunification, we are anxious because it has been postponed for 40 years.

There are great changes taking place in the world. At present Taiwan is untenable in terms of international law as it has no position in international law. Since World War II it has always been clear that Taiwan is a part of China. At that time, Mr. Chiang Kai-shek represented China to accept Taiwan's return to the motherland.

At present, Taiwan's position is not stable and there is a danger of its being taken over by others. So, we cannot promise not to use military force to prevent Taiwan splitting away from China. This does not mean we intend to attack Taiwan. The Taiwan people are our own compatriots. How can we attack our own compatriots? That we do not promise not to use military force is mainly aimed at foreign countries, countries which want to take over Taiwan from China. Many friends in Taiwan and other places have suggested that we give up the military option. But we have repeatedly explained the reason why we cannot give it up. The Taiwan authorities understand this clearly.

During negotiations between the two sides, the question of central and local governments can be avoided at first. This does not mean that such a question does not exist, in fact, this is the crucial question. It is necessary to promote continuous links between the two sides now. At present, Taiwan is ruled by the KMT. Of course, the present KMT is not the previous KMT. The present regime on Taiwan can send people to conduct negotiations, not necessarily focused on reunification. Various programs can be discussed.

Mass organizations and other parties can also participate in the negotiations, but there must be a main negotiating body. We can solicit opinions from other parties and organizations in Taiwan and welcome their visits. We can also go there and pool the wisdom of all fields and let people compare which program is practical. Some people have raised the suggestion of proceeding from economic links to political links. This is not infeasible.

Recently, some people in Taiwan have put forward the idea of "cooling the mainland rush." This is not good for

links between the two sides. We consider that there should be more links. What we fear is not the rush, but a cooling down.

Many Taiwan entrepreneurs have come to invest in the mainland. We welcome them. Our side has many senior members of the KMT, such as Zheng Dongguo and Hou Jingru, who have many contacts and relatives in Taiwan. They should be allowed to visit Taiwan. When Mr. Chien Mu passed away, the Taiwan authorities did not allow his relatives from the mainland to go to attend the funeral service. It was the same case when Zhang Daqian passed away earlier. This is unreasonable. Attending a funeral service is traditional Chinese ethics rather than "communist propaganda."

In a word, at present there is a lack of mutual trust between people on both sides of the Taiwan Strait. There is consensus, but at different degrees. The press can stand quite aloof and criticize. I hope you promote the circles of mass media to do something to increase mutual trust and consensus between the two sides of the straits. The method lies at more contacts, more links, affirming consensus, enhancing mutual trust and exchange. At present, the KMT in Taiwan has not enough trust in us and has too many doubts about us.

Some people in Taiwan said that we deliberately smuggled firearms to Taiwan in an attempt to carry out subversion there. I can say responsibly that we have made consistent efforts to crack down on the smuggling of firearms, rather than deliberately conniving at it as claimed by some persons. The coastline of Fujian Province is too long to stop leaks completely. Who will be so stupid to raise an insurrection by the hundreds of smuggled firearms?

Some people also demanded us to draw back the military forces 300 km from the coast of Fujian Province. [sentence as published] This is ridiculous. We have cut down the size of the Chinese People's Liberation Army by one million and abolished the Fuzhou Military Area Command which used to be stationed opposite Taiwan. There is only a very limited number of troops there. If the troops should be drawn back by 100 km and if we called for a reciprocal withdrawal—drawing back by 100 km from Taipei, where would Taiwan troops withdraw to?

In modern warfare, a distance of dozens or of 100 kilometers costs only a few minutes by air. Therefore, such a demand shows the opinion of a layman only. If the mainland were hostile to Taiwan and had attempted to use force, there would be, rather than the current very limited troops, a deployment of two or three or even 10 armies in Fujian.

We pin hopes on two aspects of Taiwan—one is on the Taiwan authorities, and the other on Taiwan people. It is necessary to have more exchanges and links with both sides. There are not enough exchanges and understanding for the Taiwan authorities and Taiwan people. The contacts with the Taiwan authorities should not be conducted in a casual way and the talk should be held

between authoritative or representative persons; in terms of linkage with the Taiwan people, we welcome talks with Taiwan people and mass organizations, who can come as tourists or to visit relatives. Eighty percent of Taiwan people have relatives in the mainland. Even the Democratic Progressive Party is welcome and dozens of other parties can come as well. We can talk separately and pool opinions of various aspects to reach consensus. The link is very important. Don't limit it. Don't fear it.

I can also put forward another point: If Mr. Li Teng-hui will invite me, I'll visit Taiwan so long as safety is guaranteed. When Chiang Ching-kuo was alive, I sent the same message, because he and I were classmates. Only by more contacts can we realize consensus and mutual trust, just like we meet today. During the second cooperation between KMT and CPC, Mr. Zhou Enlai had conducted contacts for several years before the official negotiation started. It was finally made public in Lushan. Now, there is not an effective channel for the contact.

Why I say we are anxious for the reunification is because Mr. Chiang Ching-kuo, when alive, sent some messages and seemed to intend to solve the issue of reunification of the two sides. So we were optimistic. Now, it seems that it is not proper to be too hasty. But, it will not do either to be too slow. Mr. Deng Xiaoping has proposed that it is better for both the mainland and Taiwan to establish contacts and realize the goal of the country's reunification when senior leaders of CPC and KMT in Taiwan are still alive. Problems concerning the Taiwan issue can be solved easier when people who know the history of both CPC and KMT are alive. If the issue is further postponed, there are many questions the younger generation does not know. This is the reason why I express anxiety.

Mr. Li Teng-hui has his advantages because he was not involved in the disputes between KMT and CPC and thus has no burdens left over by history. General Secretary Jiang mentioned in his speech that he hopes Mr. Li Teng-hui can promote the process of the reunification of the two sides. It will not do if the process of the reunification proceeds too slow.

It is possible that people of my age may not live to see the day when China is reunified. But it will not be good if the people present today fail to see reunification. A popular saying in China is: "A long night is fraught with dreams." It is true that some people in Taiwan do not want reunification and intend to advocate the independence of Taiwan.

Another Chinese saying goes, "when the water comes, a channel is formed." We should make the water move faster, and it is better to add a water pump and make the slope steeper to facilitate the water flow faster and more smoothly. If this problem is allowed to remain unsettled for one thousand years, all will be lost!

Postponement of Seventh Plenary Session Viewed

HK1411083190 Hong Kong CHING PAO in Chinese
No 160, 10 Nov 90 pp 30-33

[Article by Chang Mu (1728 3092): "The 'Seventh Plenary Session of the CPC Central Committee' Is Postponed In Order To Coordinate Political and Economic Strategies and To Strengthen the Diplomatic Offensive To Eradicate the Influence of 'Sanctions'"]

[Text] The Seventh Plenary Session of the CPC Central Committee needs to solve important strategic problems that have a bearing on the political and economic development of China in the 1990's. At the same time, the plenary session is also an important meeting aimed at eliminating the influence of the 4 June disturbance, and creating a new situation in reform and opening up.

Recently, successive articles have appeared in newspapers declaring that stability "prevails over everything" but does not "suppress everything"; stability is not stagnant, and we must not dodge contradictions under the pretext of "stability" and then proceed to water down the idea of opening up a new path and blazing new trails; and that only by pushing opening up and reform forward can we achieve the aim of continued, steady economic development, and perpetual political stability in our country. The drafters of the "Eighth Five-Year Plan" and the 10-year plan must, therefore, completely and seriously consider the new situation in reform and opening up.

Why Was the Seventh Plenary Session of the CPC Central Committee Postponed? The media made many conjectures about the postponement of the seventh plenary session. The new structural group with Jiang Zemin as the core that was set up more than a year ago, and what is to be solved at this plenary session, are important strategic problems that have a bearing on the political and economic development of China in the 1990's; and at the same time, the plenary session is an important meeting aimed at eliminating the influence of the 4 June disturbance, and creating a new situation in reform and opening up. Because the influence of its overall arrangements and conception is far-reaching and involves a wide scope, the CPC authorities decided to act prudently and to postpone the session that was originally planned to be held in October, for two months, so that all arrangements could be made more properly. We can see what their intentions are. This also shows that the high levels of the CPC make every effort to avoid new, unstable factors brought about by slipshod work and hasty policymaking; and, they expect that by coordinating the relations and steps of development in all quarters, they can put forth plans for the development of political and economic reforms which will be approved by all quarters.

The Scale of Multi-Party Cooperation Is To Be Developed

The high-ranking officials of the CPC recently declared that reform had to be speeded up after the overall situation had been stabilized. The CPC document on adhering to the system of multi-party cooperation and political consultation that was published and completely

implemented a year ago, is an important content of political reform. This proposal was shelved at the National People's Congress [NPC] this spring because of the sensitive period before the anniversary of 4 June. After the international prestige of the CPC improved, the proposal for multi-party members joining the cabinet and participating in government affairs was put on the agenda again. Democrats and public figures without party affiliation who have assumed leadership posts in various ministries and commissions of the State Council, Supreme People's Procuratorate, and Supreme People's Court, have recently increased. All of them, including Duan Muzheng, a jurist and chairman of the Guangdong Provincial China Democratic League Committee, who assumed the vice presidency of the Supreme People's Court, hold posts at the vice ministerial level. Regarding the full members of the cabinet and even leadership posts at the higher levels, the CPC is consulting closely with all quarters concerned.

As mentioned by Jiang Zemin, general secretary of the CPC, the characteristics of the Chinese nation are the grand alliance and great unity of all nations. Only by achieving great unity can we develop greatly and have great prospects. To keep close ties between the party and the masses, and between the government and the people, it is necessary to remove all factors for disunity and to turn the negative factors into positive ones. During the period of last year's disturbance, some people who had followed the trend of bourgeois liberalization thought, felt perplexed ideologically and held various ideas. These people should be united if they did not make big mistakes in principle. If we look forward in everything, then unity has strength. Rallying the great majority of people around the Communist Party to form the most extensive united front is the source of the powerful force to overcome all difficulties and wrest victory, and is the great political superiority of the party. The tasks of the patriotic united front for some time in the future are: Holding high the banner of patriotism and socialism, uniting with all the forces that can be united, mobilizing all positive factors, being of one heart and one mind, and pooling the wisdom and efforts of everyone. It is imperative to do everything to consolidate and develop the political situation of stability and unity; to do everything to push forward socialist modernization construction, reform, and opening up; to do everything to put socialist democracy and the legal system on a sound basis; and to do everything to promote "one country, two systems" and the peaceful reunification of our motherland.

The foregoing "doing everything for four aspects" became the purport of the CPC's development of the united front, as well as the foundation of the system of multi-party cooperation and political consultation under CPC leadership in the 1990's.

The Service of Well-known Public Figures Without Party Affiliation Will Be Relied Upon Heavily

In the last 10 days of October, Jiang Zemin, Li Peng, Yao Yilin, and Ding Guangen held a forum with democrats

and well-known public figures without party affiliation and they carried out consultation on important issues. This meeting in Huarentang, Zhongnanhai greatly attracted, as it were, people's attention. Apart from the CPC, including Jiang Zemin, general secretary; Ding Guangen, director of the United Front Work Department; and Wen Jiabao, director of the General Office of the Central Committee, leadership members of the government, including Li Peng, Yao Yilin, and Zou Jiahua, also attended, and the subjects under discussion were self-explanatory. Of the public figures without party affiliation attending on invitation, Fei Xiaotong and Rong Yiren, present vice chairmen of the NPC Standing Committee; and Zhou Peiyuan and Wang Guangying, vice chairmen of the Chinese People's Political Consultative Conference [CPPCC] National Committee, are most famous. It is no doubt one of the popular subjects with which the people are concerned is that their service in political circles will be relied on heavily in the future. This will further promote multi-party cooperation for the CPC.

The Line of Ideological Building Is Clearly Determined

Not long ago, the Propaganda Department of the CPC Central Committee issued a program for the study of a number of problems on socialism. It was said that this "program" was determined after views had been extensively sought and the Political Bureau had carried out serious discussion. In the light of the trend of thought in society reflected by the 4 June disturbance last year and especially the influence brought about by the situation in Eastern Europe and the Soviet Union, it is expected that through education, instilling Marxist ideas into their minds, establishing socialist conviction, resisting bourgeois liberalization, and preventing peaceful evolution, the cadres will know that China can only pursue socialism and not capitalism; that they can persist in Communist Party leadership but not pursue multi-parties. At the same time, it must be made clear that it will take six months to conduct systematic education and propaganda for workers, peasants, young people, and university students.

Five Big Changes in the Soviet Union Are Pointed Out

The authoritative newspapers and journals of the CPC published theoretical articles, pointing out that this year, the 28th Congress of the Soviet Communist Party stated clearly that there had been five "radical changes" in the party:

1. The political structure has changed from a one-party system to multi-parties.
2. The Soviet Communist Party has evolved from a "vanguard party" to a "parliamentary party."
3. The supreme state policymaking center has shifted from the Politburo of the Communist Party Central Committee of the Soviet Union, to the Presidential Committee and the Supreme Soviet of the USSR.

4. The state structure will change from the "union of the unitary Soviet state" to the "union of sovereign republics."

5. In the economic realm, the planned economy will change to a "market economy that can be regulated."

Emphasis Is Placed on Intellectual Work

Jiang Zemin, CPC general secretary, emphasized the necessity of strengthening leadership over ideology, and extensively conducting anti-peaceful evolution and anti-corruption ideological education. It is particularly essential to solve the problem of the relationship between the party and intellectuals. As ideological work occupies an extremely important position in the work of the party, intellectuals show great concern for it, and a fairly large number of them work in this realm. Whether or not the orientation of the ideological work is correct and whether or not this work is done effectively, directly involves all the work of the party and the state, has a bearing on the trend of thought, national spirit, and general mood of society, and is closely related to the party and intellectuals. The principal responsible persons of the party committees at all levels must personally grasp ideological work. In a confidential, frank, and sincere manner, the leading cadres at all levels must universally make friends with intellectuals. It is imperative to constantly listen to the views, suggestions, and voice of intellectuals, and to sincerely accept their criticisms and supervision of work. Moreover, it is necessary to constantly inform the intellectuals of the political and economic situation, all principles and policies of the party, and to enthusiastically help them solve all sorts of problems of ideology and understanding. The leading cadres of the departments and units where intellectuals are relatively concentrated must promptly get to know the state of mind of the intellectuals, exert efforts to grasp the characteristics and law of their work, and really implement the principles and policies of the party by doing creative work.

The Conference on Cultural Work Formulates the Cultural Line

It has been learned that a national conference on cultural work will be held soon. At the conference, it is essential to solve the problems concerning the line, principles, and policies of the ideological and cultural fronts, to clarify some confused ideas existing in intellectual circles since the fifth congress of literature and art workers, to discuss and determine the policies and measures for rectifying literature and art and making them thrive, and to determine further the leadership position and role of the party in cultural work.

Besides, in view of suggestions of the "resurgence" of pornographic books, magazines, and audio and video products after the "wiping out of pornography," the CPC has decided to carry out concentrated "pornography-eliminating" actions throughout the country this winter and next spring. Liu Zhongde, who was transferred from the post of deputy secretary general of the State Council

to the post of deputy director of the Propaganda Department of the CPC Central Committee and to the concurrent post of the head of the national work group for rectifying books, magazines, and the audio and video products market, will take charge of this work. This work is called strategic measures to unrelentingly wipe out bourgeois "cultural refuse," to purify the general mood of society, to keep the young people and juveniles in good mental health, and to protect them from corrosion.

A Comprehensive Diplomatic Offensive Is Strengthened

Over the past year and more, the CPC has been very proud of diplomatically breaking through the predicament of the "sanctions" being applied against it, resuming diplomatic relations in an all-around way, and successively scoring new diplomatic achievements. The resumption of diplomatic relations between China and Indonesia, the establishment of the diplomatic relations between China and Saudi Arabia, and Singapore, the peaceful solution to the Cambodian problems, and the improvement of relations between China and its neighboring countries, including the Soviet Union, Mongolia, India, and Vietnam, can be called the most successful, important diplomatic achievements scored in the past few years.

Through running the Asian Games, the CPC has shown its image of all-around opening up again, aired plans to develop the Chang Jiang Delta with Shanghai as the "dragon head," and expressed its determination to adhere to reform and opening up, thus leading to the gradual resolution of the "sanctions" taken by Western countries. Japan has strengthened economic ties and cooperation with China and lifted the ban on its third loans to China, and EEC countries have officially announced the abolition of "sanctions" and resumed normal relations with China, including intergovernmental high-level contacts.

"Diplomacy is the continuation of internal affairs." Li Peng, who is in charge of CPC diplomatic policymaking, maintains that the domestic situation in China is developing healthily and well, and provides a foundation for progress in diplomatic work. While adhering to the principles, China also shows flexibility in tactics and handling specific questions. In the aspect of the political solution to the Gulf crisis and Cambodian problem, or in dealing with the issue of establishing diplomatic relations, China can, in the light of the actual situation and specific analysis of the specific contradictions, have a good grasp of the policies, judge the hour and size up the situation, and promptly readjust its policies and arrangements; on the premise of no injury to policies, make some necessary compromises so as to facilitate the reaching of an agreement. Such flexibility helps China gain the initiative in diplomacy. We must see that the present international situation is still very complicated and turbulent. While there are important changes in the world, China is also facing many new problems in diplomacy, and is required to overcome difficulties continuously and to cope with new challenges. We must,

therefore, observe the situation soberly, have a good grasp of the principles, policies, and the initiative, miss no favorable opportunity, and consolidate and develop the achievements already scored.

Three Main Characteristics of the International Situation

The high levels of the CPC hold that the present international situation apparently shows three main characteristics:

1. The East and West setup since World War II has been destroyed, the balance of East and Western forces and international relations are undergoing rapid and important changes, and the world is speeding up the transition from a bi-polar to multipolar system. What attracts people's attention is that the Soviet East European bloc has disintegrated and the Soviet Union itself is declining quickly; Germany has risen after its reunification; Japan is quickening its pace toward becoming a political power; the status of the United States has been relatively weakened and its status as the leader of the Western alliance has met with a challenge; and some countries in the Third World are in a difficult situation.

2. The struggles between two kinds of systems and between two kinds of ideologies have been aggravated. Encouraged by the changes in the Soviet Union and particularly by the changes in Eastern Europe, the Western countries regard the current situation as a good opportunity to enable the socialist countries to achieve peaceful evolution.

3. The contradictions among the Western developed countries are rapidly expanding. Europe is entering a turbulent transition period of splitting up and reorganizing again.

The CPC authorities still use "omnidirectional" diplomacy as a criterion, it quietly observes but does not intervene in the changing situation in Europe, and at the same time, fosters cordial relations with all neighboring countries and the Asia-Pacific region in the hope of striving for a good, peaceful environment for social and economic development, and the reunification of the country.

Opening Up a New Road of the Reform of the Political Economy

After the 4 June disturbance, the CPC has laid stress time and again on the central task that "stability prevails over everything." The overall situation is now stable and all aspects of work are confronted with the questions of how to open up a new situation. Therefore, articles appeared in newspapers saying that stability "prevails over everything" but does not "suppress everything"; stability is not stagnant, and we must not dodge contradictions under the pretext of "stability" and then proceed to water down the idea of opening up a new path and blazing new trails; and that only by pushing opening up and reform can we achieve the aim of continued and steady economic development and perpetual political stability in our country. The drafters of the "Eighth

Five-Year Plan" and 10-year plan must, therefore, completely and seriously consider the new situation in reform and opening up. On the one hand, on the basis of the "birdcage economy" idea, it is essential to strengthen macro regulation and control, and to expand the ability of state financial revenue and expenditure in order to realize the readjustment of the industry and product mix; on the other hand, it is necessary to uphold the authority of unified planning and the dominant role of the state-owned economy while the pace of reform and opening up is being quickened.

The high levels of the CPC maintain that very good achievements have been scored in improvement and rectification, the most difficult period has elapsed, the economy has picked up, and prices are comparatively stable but the deep-level problems—the market is still weak, some factories have suspended production or partially suspended production, products have been kept too long in stock, more products have been kept too long in stock after the state has made investments, the industry mix has been readjusted slowly, and economic results are poor—become salient problems in economic work.

Yao Yilin holds that there is a phenomena of attaching importance to production but disregarding commerce, and a problem of ignoring the circulation of commodities. As the circulation of commodities is an important link of extended reproduction, it is imperative to change the idea of attaching importance to production but disregarding commerce. The production of all sorts of commodities must be geared to the needs of the domestic and foreign markets. It is necessary to keep abreast of, and to study the market, to do a good job in information feedback, to react quickly, and to speed up the circulation of commodities. In particular, the rural areas—the market—have 800 million peasants and the amount of sales is very large. In the aspect of foreign capital, we must consolidate the existing position, open up a new sphere, increase the proportion of processed products, study the market, and seek more sales channels. As for capital construction, now is not the time to start new capital construction projects but to achieve consolidation, supplementation, and improvement. As the energy, communications, and raw material industry are the foundation, we must concentrate on them as much as possible. We must also strengthen the weak links to fill the gaps in industry. In the processing industry, we must mainly carry out technical transformation in the existing enterprises and take the road of the intensive form of enlarged reproduction. Technical transformation must also be classified to conform to the industrial policy. It is imperative to readjust the product mix well and to improve the pattern of investment. Stress should be laid on the quality of the products rather than on their quantity. Products that need high and new technology should be developed. We must strengthen enterprise management, enhance productivity and economic results, and prevent building and importing duplicates. Duplicates must be readjusted; improvement of newly started projects must be considered. During the period of

the "Eighth Five-Year Plan," new and old projects must be considered simultaneously. When we start or stop building the old projects, we must coordinate the old projects with the new ones. The projects now under construction must be straightened out and we must be determined to stop a number of them. For those really needed, funds must be appropriated to speed up their construction.

A New Breakthrough Will Be Made in Importing

It was learned that in the wake of the development of Pudong, Shanghai and the eastern coastal region, strong competitive power will be gradually formed in the international market. Imports will no longer be confined to foreign capital, technology, equipment, or management, but will include banks with foreign capital from all countries and regions. Zou Erjun, mayor of Xiamen City, said that importing a bank with foreign capital was more important than 10 projects with foreign capital. At present, the financial trade in places, including Shanghai, Xiamen, and Dalian, are tending to prosper and rise, and the corresponding real estate trade, stock market, and insurance trade are developing greatly.

Bo Yibo Attends Corporation Anniversary Reception

OW1411140890 Beijing XINHUA Domestic Service
in Chinese 1402 GMT 12 Nov 90

[By reporter Zhang Yi (1728 3015) from Local Broadcast News Service]

[Text] Beijing, 12 Nov (XINHUA)—Bo Yibo, vice chairman of the Central Advisory Commission, said tonight at a reception celebrating the 40th founding anniversary of the China National Machinery Import and Export Corporation: We should work hard in the last decade of this century to improve the quality of our products and further boost the export of machinery and electric equipment.

Comrade Bo Yibo was in charge of China's industrial and communications, machine-building and foreign trade departments for a long time. So, he is particularly concerned about the development of the machine-building and electric power industries. In his speech, he praised the gratifying successes made by the China National Machinery Import and Export Corporation in importing advanced foreign equipment and technology, boosting China's export of machinery and electric equipment, and improving China's export product mix. He urged the company to continue the policy of reform and opening to the outside world, strive to increase the export of machinery and electric equipment, and make new contributions to China's modernization and foreign trade in the days to come.

The China National Machinery Import and Export Corporation is the earliest foreign trade company handling China's import and export of machinery and electric equipment. According to Li Qingyuan, president of the corporation, in the 40 years since its founding in 1950,

the firm has imported advanced foreign equipment worth a total of \$28.16 billion and satisfied the needs of our national economic development. In the meantime, it has exported Chinese-built ships, farm machinery, tools, cranes, automobiles, textile machinery, and complete sets of equipment, worth more than \$5 billion.

Diplomatic envoys and trade officials from more than 50 countries and representatives of more than 100 foreign firms attended tonight's reception.

Economic & Agricultural

State Council Devises Measures To Revive Market

HK1411090890 Hong Kong ZHONGGUO TONGXUN
SHE
in Chinese 0744 GMT 14 Nov 90

["Chinese State Council Formulates New Measures To Activate the Market"—ZHONGGUO TONGXUN SHE headline]

[Text] Beijing, 14 Nov (ZHONGGUO TONGXUN SHE)—As revealed by a national production work meeting convened earlier, to resolve the current problem of a weak market, which has plagued national economic development, the State Council has recently studied and formulated some new measures to activate the market and enliven the economy.

These new measures include: One, raise the price of coals within the plan; two, suitably adjust downwards the bank lending rate; three, increase the enterprise technological renovation loan by 5 billion renminbi and arrange a new 11 billion renminbi loan to aid key projects. To expand commodity sales in rural areas, the state will increase loans to rural supply and marketing cooperatives and will relax the controls on some commodities—the purchase of which is controlled by the state. These include copy machines used in production enterprises or offices, electric typewriters, recorders, cameras, color televisions required by tourist hotels, refrigerators, airconditioners, sofas, carpets, home appliances, vacuum cleaners, and so on.

Academic Interviewed on Public Ownership

HK1411080190 Beijing LIAOWANG in Chinese
No 43, 22 Oct 90 pp 14-16

[Article by staff reporter: "How To Look at the Vitality of the Economy Under Socialist Public Ownership—an Interview With Professor Zhang Yi of the Youth Political Institute"]

[Text] Reporter: There is a view to the effect that the unhealthy phenomena in our country's practical economic life, such as low efficiency and the practice of everybody eating from the same big pot, has an essential link with the system of public ownership. If this is not the case, why is it that the economy under public ownership is inferior to the individual economy and private economy in terms of vitality and efficiency? It can thus

be held that, to eliminate these defects, there is no other alternative but to turn public ownership into private ownership. What do you think of this?

Zhang Yi: There is no denying the fact that there are indeed some phenomena in our country's practical economic life that are inferior to those of capitalism. We are not materialists if we do not recognize this reality. But I do not favor regarding the emergence of these defects as a necessary outcome of the socialist system itself. In my view, they come from the defects of a specific economic structure rather than being inherent in public ownership.

Reporter: On what grounds do you base this judgment?

Zhang Yi: As I see it, the basic features of a fundamental economic system are objective. Otherwise, they will not become a system. An economic structure, however, is the sum total of specific systems and methods to apply this fundamental system to organize national economic activities; it is the unity of subjectivity and objectivity, which includes the subjective and objective factors of people applying the fundamental economic system. If people have different interpretations on the objective features of the fundamental system and have different views on how to proceed from reality in applying this system, they will design specific systems and forms yielding different results. For example, public ownership may take different forms, such as collective ownership, state ownership, and cooperative ownership; the specific systems and forms of distribution according to work may also have different forms, such as time wages, piece wages, basic wages plus bonus, and wages plus dividends. These specific systems and forms may be good or bad. But bad specific systems and forms are not tantamount to a bad fundamental system; they should not be mixed up.

Reporter: According to your viewpoint and analysis, which defects of the specific economic structure have caused such phenomena in our country's practical economic life as low efficiency and the practice of everybody eating from the same big pot?

Zhang Yi: In the "Decision on Reform of the Economic Structure," the central authorities pointed out long ago: Due to the formation of a rigid structure which is not suited to the development of productive forces, the socialist economy, which was originally full of vitality, has lost its vitality to some extent. The decision also summed up three reasons for this: First, we lack experience on how to carry out socialist construction; second, due to the influence of "leftist" guiding ideology, some fixed concepts unsuited to the actual conditions have taken shape with regard to the understanding of socialism, that is, the understanding of socialism is not quite scientific in some respects; and third, various correct measures for developing the socialist commodity economy and invigorating enterprises are regarded as "capitalistic," that is, the criticism and repudiation of capitalism is not quite scientific in some respects. It can

be said that these are important reasons why the economy under public ownership has lost its vitality to a great extent.

Reporter: Will you please talk about how to dialectically and scientifically understand socialism and analyze and criticize capitalism?

Zhang Yi: The 13th CPC Congress pointed out: "We should not stick to those things which fetter the development of productive forces and do not possess the essential attributes of socialism or which are suited only to specific historical conditions, regarding them as 'socialist principles'; nor should we oppose those things which are conducive to the development of productive forces and the commercialization and socialization of production and regard them as capitalistic. This is a very important theoretical issue.

According to materialist dialectics, everything is the unity of general and specific characters and of generality and particularity. We should not forget this common knowledge of dialectics in understanding different social forms. Indeed, the two antagonistic systems, socialism and capitalism, have different essential features, that is, specific characters, but they by no means exclude the general characters contained in a human society or several societies. Lenin graphically described the socialist formula as "taking delight in absorbing something good from foreign countries: Soviet political power plus Prussian railway order plus American technical and trust organizations plus American national education and so on equal sum total which equals socialism." From this formula we can see that socialism is indeed a social system a level higher than capitalism. It is higher because it discards all features of capitalism which have become unsuited to socialized productive forces, and carries forward and absorbs in an analytical way all useful things of a general character contained in capitalism. If we do not dialectically approach the relationship between the two major social systems as Lenin did, but metaphysically set one against another, holding that socialist society should not have what capitalist society has, and rejecting as reactionary the good things in capitalist society which are not characteristic of capitalism, but which are jointly possessed by human society as a whole at a certain stage of its development, then our socialist system will become a tree without roots and we shall be enormously constrained in bringing its superiority into full play. The correct approach is, while upholding the socialist basic system, we should, with regard to some specific structures and means for realizing this system, adopt in an analytical way those useful things that can exist in different social forms, including capitalist society. If we succeed in doing so and in overcoming the defects in structure, the vitality and superiority of the socialist system can be fully demonstrated.

Reporter: To be specific, what do you think are jointly owned by socialism and capitalism and can be transformed and absorbed by us, that is, what are their general characters?

Zhang Yi: In my view, there are at least six [number as published] aspects:

1. The principle of economic benefit. Economic benefit is the motive force driving people forward. This truth is applicable in all societies. We should not hold that only capitalism, rather than socialism, pays attention to economic impetus. What we should criticize is only the practice of capitalists basing their economic benefit on the exploitation of other people and stressing only private gain in disregard of social interest, which is a specific capitalist characteristic. Under the socialist system, people's fundamental interests coincide and therefore people have a powerful political impetus. Socialism has both economic and political impetus. This is where socialism is superior to capitalism. Practice proves that so long as we combine both of them, the superiority of socialism will be quite apparent. If we do not, there will be problems of insufficient drive and low efficiency.

2. Advanced methods of management. This is the common property of human society accumulated over a long period of time and should be carried forward in an analytical way. As Lenin put it, "whether socialism can be realized depends on whether or not we can satisfactorily integrate soviet political power and soviet management organization with the latest, progressive aspects of capitalism." The "large and comprehensive" and the "small but comprehensive" systems we have been practicing for a considerably long period of time do not compare favorably with coordination among specialized departments practiced in capitalist countries; our practice of organizing and managing the economy according to regional and administrative systems is inferior to that of capitalist countries, which use such economic systems as joint companies and trusts to manage the economy.

3. The regulatory role of law of value and of market. What we should criticize is the specific capitalist characteristic of the law of value playing its role in compliance with the law of surplus value and of people tending to act by hook or by crook with no regard for the overall situation and even adopting deceitful means. We should not criticize the law of value and market regulation as capitalistic because they are characteristic of the commodity economy. The system of public ownership is wholly capable of combining planned economy and market regulation. This is where socialism is superior to capitalism. In the past, we have not done enough in this respect either.

4. Recognize and bring into play the optimum role of social competition. What we should criticize is the special characteristic of capitalist competition marked by the practice of harming others to develop oneself and acting by hook or by crook. But we can launch fair competition under socialist public ownership, make the advanced help and bring along the less advanced, work in friendly cooperation to attain joint improvement and, at the same time, retain the competition which plays the role of eliminating or spurring on the less advanced. This

is another aspect where socialism is superior to capitalism. It is correct for us to persist in criticizing the competitive feature of capitalism. The problem is that we have also criticized competition, a general character of the commodity economy, as capitalistic, thus leading to the outcome of "whipping the willing horse" and protecting the backward.

5. Permit and recognize justifiable differences. Socialist revolution is aimed at eliminating the class difference of exploitation of man by man, but we should not categorically deny the historical role of differences, still less should we criticize as capitalistic the difference based on labor. Socialist public ownership was originally aimed at eliminating class confrontation and class difference based on exploitation and, at the same time, preserving the difference based on labor and practicing distribution according to labor, so that it can become a powerful force promoting people's progress. This is another aspect where socialism is superior to capitalism. It is correct to be opposed to polarization and advocate common prosperity. The question is that, for a considerably long time, while criticizing class confrontation and class difference based on exploitation, we have criticized all differences, including the difference based on labor, and, to a certain extent, practiced egalitarianism and engaged in the practice of "everybody eating from the same big pot" and receiving the same pay whether you carry out your work satisfactorily or not. This has not only made it impossible to bring into fuller play the superiority of socialism but also made some enterprises inferior to some capitalist enterprises in terms of labor discipline and efficiency.

Reporter: A host of facts during the 10 years of reform shows that it is entirely possible for enterprises under public ownership to raise their management and technical levels and attain higher efficiency by carrying out reforms, establishing mechanisms suited to the planned commodity economy, strengthening democratic management, ensuring the status of workers as masters, and practicing distribution according to work and the principle of combining responsibility, power, and interests.

Zhang Yi: Right. As long as some defects in the structure are transformed and improved, the superiority of socialism can be brought into full play because it is incomparably superior to the capitalist system. By reform we mean, on the one hand, proceeding from the practical conditions in our country and acting according to socialist principles and, on the other hand, correctly absorbing the useful aspects which should have been absorbed but which have been rejected owing to "leftist" prejudice, conscientiously eliminating the defects in structure, and thus improving and bringing into play the superiority of socialist public ownership. If we keep doing so, the superiority of socialism will surely be brought into fuller play and our production and life will forge ahead at a speed incomparably faster than under capitalism. Our future is infinitely bright.

Enterprise Tax Reform Alternatives Viewed

OW1311105790 Beijing XINHUA in English
0747 GMT 13 Nov 90

[Text] Beijing, November 13 (XINHUA)—Alternative views of enterprise reform for the next few years have been expressed in an article of ECONOMIC DAILY written by columnist Yan Kalin.

One, perhaps more appealing to younger economists, is the introduction of the joint-stock system.

The second, according to those who do not think it realistic to implement a brand-new joint-stock system nationwide in only a couple of years, is a reform of the taxation system.

This is meant to unify, and perhaps lower, enterprises' income tax on condition that their payment of loans (to the government banking system) should no longer be delivered before tax.

The columnist himself favored the contract system implemented since 1987. He said the tax reform would not be as realistic as continuing with this policy.

Yan urged the nation's leadership to be "extremely cautious" about tax reform, trying to steer the country towards stability and consistency in its economic policies. [sentence as received]

With the proposed tax reform, Yan asserted that most enterprises would not be able to sustain such a major policy shift.

About 60 percent of government-owned enterprises, the article exposed, were either making losses or barely breaking even.

A reduction of the tax rate to 35 percent of income would make little difference, since less than 40 percent of enterprises would still show a profit after paying back their loans, the article said.

Despite its apparent effect of increasing government revenues, what enterprises and workers would gain from the tax reform, would be rather limited, and probably counter-productive to overall development, it warned.

Enterprises would tend to grow more, rather than less, dependent on government finance.

They would, above all, try every means to delay their payments of loans, the ECONOMIC DAILY article predicted.

It also reported the pilot projects in tax reform in the city of Yiyang, Hunan Province, and Nanyang in Henan Province, as being an anti-climax.

The article revealed the loans yet to be paid back by government-owned enterprises had climbed to 215.7 billion yuan (45.89 billion U.S. dollars) by the end of 1989.

The actual loan payments made are hardly more than 26.8 billion yuan (5.7 billion U.S. dollars) per year.

This meant, the article said, that it would take as long as eight years for all the enterprises to pay back their loans before implementing the new rules under the tax reform.

The article also referred to the aborted attempt at tax reform in the mid-1980s. Its only result, it said, had been enterprises not making profits for 22 consecutive months.

On the philosophical level, the "ECONOMIC DAILY" argument does provide interesting food for thought.

That is, in brief, what is "rational" (in theory) and "normal" (according to the practice of other countries) sometimes simply cannot be applied to Chinese economic reform.

The "rational" distribution of wealth between the government and enterprises—government-owned ones in particular—would require the latter to cede most of their profits to the former.

A change in the existing distribution pattern is one of the goals of China's ongoing economic readjustment program.

However, could it be successful if it was done through a major withdrawal of incentives to the enterprises? the article asked.

This is because, like it or not, the way the Chinese enterprises operate their business is not "normal" as in other economies.

They have to obey government plans, sometimes at the cost of important market opportunities.

They have to take care of more items of workers' and even public welfare.

They cannot declare themselves bankrupt and lay off large numbers of workers.

Another article carried by the PEOPLE'S DAILY called for caution against hasty introduction of the tax reform, though it would be the "inevitable future" of the enterprise system.

The tax reform called "division of tax and profit" in Chinese, is seen by some economists as an increasing central government tax revenue and financial capability.

Increase in Energy-Saving Products Planned

HK1411031790 Beijing CHINA DAILY in English
14 Nov 90 p 2

[By staff reporter Ren Kan]

[Text] China will strengthen the development of energy-saving electrotechnical products during the coming five years to ease the country's shortage of coal and electricity.

The industry will pay more attention to cutting energy consumption of products including electricity generating equipment, transformer works, electric welders, electric motors and boilers.

The government will invest 697 million yuan (\$148 million) on 52 technical renovation projects involving energy-saving products during the Eighth Five-Year Plan (1991-95), said an official with the Ministry of Machinery and Electronics Industry at a news conference yesterday.

The official said the industry is planning to import advanced technology to boost energy-saving products.

Electricity generating equipment and industrial boilers consume 500 million tons of coal every year, accounting for more than 50 percent of the total annual coal output.

And more than 60 percent of the country's annual generated electricity is used by electrotechnical products.

Since the beginning of the 1980s, the official said, the industry has made great efforts to develop energy saving electrotechnical products.

The ministry has introduced 210 types of energy-saving electrotechnical products while eliminating 147 kinds of high energy consumption products.

The production value of the energy saving electrotechnical products hit 11.6 billion yuan (\$2.47 billion), accounting for 40 percent of the total output value of electrotechnical industry.

The energy saving small- and medium-sized transformers can save 450 million kilowatt hours of electricity annually while the energy saving electric motors save 480 million kilowatt hours of electricity every year.

Experts Emphasize Importance of Energy Economy

*OW1311125290 Beijing XINHUA in English
1157 GMT 13 Nov 90*

[Text] Beijing, November 13 (XINHUA)—Chinese experts have urged all government departments and enterprises to make greater efforts to economize on energy.

The State Statistical Bureau reported that beneficial results related to energy were still on the decline in China this year, while the consumption of energy, electricity in particular, grew by a large margin.

Energy consumption by industrial enterprises increased by 1.64 percent and electricity consumption by 5.3 percent in the first nine months this year, compared with the same period last year. At the same time industrial production value increased only by 1.43 percent.

Enterprises consumed over 800,000 tons of standard coal and used over 11.75 billion kwh [kilowatt hours] of electricity more than they should have during the nine month period.

The experts pointed out that the rapid growth of energy consumption was because industries with high energy

consumption developed much faster than low consumption industries. An additional reason was that the enterprises paid little attention to the administration of energy economy.

Some experts emphasized the importance of strengthening the administration of energy consumption, increasing investment in technological improvements to make more economic use of energy, and raising the price of energy.

Bureau Reports Easing of Energy Shortages

*OW1311223590 Beijing XINHUA in English
1637 GMT 13 Nov 90*

[Text] Beijing, November 13 (XINHUA)—Energy shortages, which have affected China's industrial development for years, have been eased due to increasing energy output and decreasing demand during the first nine months this year.

The state Statistics Bureau reports that in the first nine months of this year China's output of primary energy was equal to over 753.4 million tons of standard coal, an increase of 2.9 percent compared with the same period last year. Total production of energy-related products included 773.9 million tons of raw coal, 102.83 million tons of crude oil, 11.34 billion cubic meters of gas and 95.89 billion kwh of hydroelectricity.

Experts report that the increased energy output has created favorable conditions for current declining industrial production to register a resurgence.

However, slow industrial production during the first nine months of this year resulted in a slower growth in energy consumption.

The total amount of energy consumed to the period was over 695.34 million tons of standard coal. Even though this figure was a 2.6 percent increase, it was still lower than the overall growth of energy output.

This would indicate that China's energy shortage is easing, but experts warn that the country should continue to control the growth of industrial production, adjust the structure of industry, and give priority to the development of the energy industry.

Ministry Announces Accountancy Certificate System

*OW1311123790 Beijing XINHUA in English
0806 GMT 13 Nov 90*

[Text] Beijing, November 13 (XINHUA)—The Ministry of Finance has decided to adopt an accountancy certificate system as of the beginning of 1991.

Under new regulations recently drawn up, only people with accountancy certificates will be considered qualified to work as accountants in state-owned enterprises or institutions, or independently. Besides, only those with certificates will be allowed to apply for professional titles.

The rule also stipulates that banks will not be allowed to deal with businesses which do not employ certified accountants.

However, people who already enjoy the title of professional accountant and who have received tertiary education will be awarded the certificates without further examination.

According to the regulations, unprofessional conduct is grounds for revocation of a license.

The adoption of the new system is aimed at weeding out unqualified people from the profession, including those who have attained their posts through nepotism and bribery.

Provinces Combine To Develop Economies

OW1111020990 Beijing XINHUA Domestic Service
in Chinese 0551 GMT 10 Nov 90

[By reporters Lu Hankui (7120 3352 7608) and Gu Zhusheng (7357 4591 0524)]

[Text] Nanning, 10 Nov (XINHUA)—In the past few years, Guizhou, Yunnan, Sichuan, Tibet, Guangxi, and Chongqing have exploited their economic superiorities and followed the principle of "equality, mutual benefit, and joint development" in extensively forging lateral economic ties and cooperation, complementing each other with their own superiorities, and promoting economic development in ethnic minority areas.

The ethnic population in the vast territory of our country's southwestern regions makes up approximately half of China's total ethnic population. In an area covering 2.6 million square kilometers, 17 indicators that reflect abundant natural resources top the list of similar indicators across the country. Yunnan's tobacco and tea industries, Guizhou's coal and wine-making industries, Sichuan's agriculture, and Guangxi's sugar production are domestic industries with great potential. Chongqing City, an important industrial city in southwest China, has a strong materials and technical foundation.

Since 1984, the four provinces, the autonomous region, and the city have worked to form a regional economic cooperative organization—the Association for the Coordination of Six Economic Sectors in the Four Provinces and the Autonomous Region. They have focused on developing various forms of lateral economic ties and cooperation at all levels through various channels in agriculture, energy, and communications. They have sought to enhance their superiorities and correct their shortcomings, assisted and benefited each other, and carried out a number of joint projects. For example, Yunnan helped some tobacco factories in Sichuan, Guizhou, and Guangxi carry out technical transformations, thereby improving tobacco quality and developing new products. Provinces like Guizhou and Yunnan generally increased per-unit yields of grain by importing farming techniques and superior strains from Sichuan. Tibet annually provides tens of thousands of tonnes of chromite and borax to Sichuan Province and Chongqing City. Chongqing

City and Guizhou Province jointly invested 3 million yuan in setting up the Guiyang City Steel Mill to produce a special kind of steel. The mill paid 1.77 million yuan in taxes and profits in 1989. Guangxi enhanced the role of Beihai, Fangcheng Harbour, and Wuzhou Port as a corridor and window, and actively provided export and import services to hinterland provinces and cities in the southwest. A cooperative body in agricultural production means involving the six economic sectors of the four provinces and the autonomous region annually conducted over 50 million yuan in business.

Supported by related state departments, the six economic sectors of the four provinces and the autonomous region have also drafted and implemented plans to jointly develop communications and transportation. In the past six years, 50 projects worth over 400 million yuan were launched to build highways and waterways. Thirty-eight roads totaling 762 km in length and linking neighboring provinces and the autonomous region were repaired. And 78 interprovincial and interregional passenger and cargo transport routes, with a combined haul of 18,400 km, opened, thus greatly benefiting people of various ethnic minorities.

In the past six years, the six economic sectors of the four provinces and the autonomous region developed their own potential, exploited the positive elements within themselves, and converted local superiorities into an overall advantage. By the end of last year, they signed a total of 9,275 joint cooperative agreements, implemented 4,468 of the projects covered by those agreements, and circulated 6.47 billion yuan of funds among themselves. They also formed 82 interprovincial, interregional, and intercity cooperative trading bodies and 56 enterprise groups (collectives). Since 1985, they have taken turns to host large-scale annual fairs to exchange commodities and materials. They accumulated 9.16 billion yuan from business transactions at those fairs. The export and import volume in border trade grew from several millions of yuan in 1983 to more than 1 billion yuan in 1989.

Peasants Seek To Learn New Farming Techniques

OW1411050990 Beijing XINHUA in English
0143 GMT 14 Nov 90

[Text] Shenyang, November 14 (XINHUA)—Chinese peasants, who have depended on traditional skills to make a living for centuries, are eager to learn new farming techniques nowadays, agronomist Zhang Chenghui told XINHUA.

The current rush to learn new techniques presents a sharp contrast to the situation only a few years ago, said Zhang, 54, an agronomist at the Liaoning Provincial Academy of Agricultural Sciences.

When Zhang led a team of agronomists to Shuangta district, Chaoyang city, to deliver lectures on fruit tree cultivation techniques in late 1987, they found the

audience consisted of only four old men who just wanted to kill time rather than learn anything.

The scientists made great efforts to persuade a dozen peasants to learn how to prune branches and other techniques and apply them to apple trees the following spring.

In autumn the pruned apple trees produced a yield three times that of previous crops.

In the winter of 1988, when Zhang held another training class, the 60-seat room was crowded with 140 people and others listened outside near the windows and doors.

Asked why they were so enthusiastic to learn techniques, a local peasant said: "We prayed to the god of wealth for generations and never got prosperous. Now, these new techniques have enabled us to raise our incomes rapidly."

The scientists have also organized training classes on pig breeding and new techniques for the cultivation of grain and cash crops.

The annual income of local peasants jumped from 720 yuan per capita in 1987 to 1,033 yuan in 1989 in the Shuangta district.

Scientists are now the most popular people in the rural areas. In the evenings their houses have become "salons" for villagers, who even solicit their advice on private affairs.

Moreover, 295 of the 402 households in the village have set up greenhouses in their courtyards since Zhang and his team showed them the benefits of greenhouse cultivation two years ago.

Provincial officials said that throughout Liaoning Province two million peasants have attended various training classes or lectures, and 150,000 rural families have piloted new techniques.

The peasants' enthusiasm for learning new techniques has produced a great market for agrosience achievements.

"In the past an appraisal meeting for a new achievement in agricultural science was considered a 'funeral service' for it, because most of the new findings were shelved without any effort being made to apply them to practical farming," said Zhu Wenchao, deputy director of the Science and Technology Committee of Fuxin city.

"But the situation has improved remarkably thanks to the large number of scientists who are going to the countryside," he added.

Zhu Xigang, research fellow of the Chinese Academy of Agricultural Sciences, said that in the past 10 years, the academy has scored 1,140 research achievements, and 64.9 percent of them have been applied in agriculture, producing an output value of three billion yuan.

A recent national meeting reported that the "Sparking Plan"—a national plan to pilot new techniques in rural areas—has helped complete some 20,000 projects for the dissemination of farming techniques and industrial technologies, producing an accumulated output value of 22 billion yuan in the past five years.

Huang Zhenbu, senior agronomist and deputy director of the National Agro-technique Dissemination Station, said that since 1985 China has organized several nationwide campaigns to disseminate agro-techniques, such as the "Sparking Plan," "Good-Harvest Plan" and "Prairie-Fire Program".

He also said that China has set up 53,000 agro-technique dissemination institutions with a total staff of 290,000. In addition, peasants have organized more than 70,000 associations for this purpose and 4.30 million rural households are voluntarily piloting new techniques.

Chen Zongyuan, director of the National Agro-technique Dissemination Station, said that the dissemination of agro-techniques still lags far behind the real needs of rural areas. Experts estimated that only 30 percent of new agro-techniques have been applied to production.

East Region

Chi Haotian Visits Family of Martyr Liu Guogeng

SK1411093790 Jinan Shandong Provincial Service
in Mandarin 2300 GMT 12 Nov 90

[Text] On the afternoon of 6 November, General Chi Haotian, member of the Central Military Commission and chief of general staff, and Lieutenant General Han Huaizhi, deputy chief of the general staff, Lieutenant General Zhang Wannian, commander of the Jinan Military Region, and other leading comrades, went to (Gaijiachao) Village in Laiyang City to cordially express solicitude for relatives of martyr Liu Guogeng, defender of the republic.

When Chief of General Staff Chi Haotian and other leading comrades called on Liu Zhirong, father of martyr Liu Guogeng, and his wife, they were very excited and repeatedly expressed thanks to the party Central Committee, the State Council, and the Central Military Commission.

Chief of General Staff Chi brought a hardcover picture album of Deng Xiaoping to Liu Zhirong as a gift and said to him: Guogeng left us one year and five months ago. All of us have cherished his memory. Over the past more than one year, under the correct leadership of the party Central Committee with Comrade Jiang Zemin as a core, our country has enjoyed political stability and steady economic development and the situation has been excellent. This excellent situation is the result of the hard struggle and dedication of such heroes as Liu Guogeng and such persons as you. We should treasure this situation all the more.

Chief of General Staff Chi and other leading comrades also asked in detail about the living conditions and health of Liu Zhirong and took a group photo with his family members.

Generator To Boost Shandong Investment Climate

OW1311210690 Beijing XINHUA in English
1452 GMT 13 Nov 90

[Text] Jinan, November 13 (XINHUA)—A new generating set with a capacity of 210,000 kw was put into operation Monday in a power plant in Qingdao City, marking the latest move by the Shandong peninsula to upgrade its investment infrastructure.

The new generator will make the plant, on Huangdao Island off the resort city, the biggest along the coast of Shandong Province, and bring its total electricity generating capacity to 670,000 kw.

Shandong Province has given priority to developing the power industry in its open economic zones along the coast of the peninsula in the past five years, greatly easing the power shortage in Qingdao, Yantai and Weihai.

The generating capacity of the Longkou power plant near Yantai jumped twofold in the five years to reach 600,000 kw, which, together with the Huangdao power plant, pushes

the total capacity in the peninsula to 1.27 million kw, three times more than that five years ago.

The peninsula, which has the open cities of Qingdao, Yantai, Weihai and Weifang along its coast, is the focus of foreign investment in the province.

A power plant of 1.2 million kw in capacity will be built in the near future in Weifang, the only peninsula city that does not yet have a major power plant.

A new power plant of 200,000 kw is planned for Weihai in the next five years, while the Longkou power plant will add two generating units of 300,000 kw each.

With the largest power generating capacity already in China, Shandong is expected to raise the figure to eight million kw by the end of the year.

In the next five years the province plans to increase its power generating capacity to 12 million kw, 70 percent of which will be used to back up the economic growth of the peninsula.

Central-South Region

Guangxi Urges Strengthening of Organizations

HK1411103190 Nanning Guangxi Regional Service
in Mandarin 1130 GMT 9 Nov 90

[Excerpts] The four-day regional conference on the work of building village-level organizations ended in Nanning yesterday afternoon. The meeting heard a relayed report on the spirit of the national forum on building village-level organizations.

On behalf of the regional party committee, Liu Mingzu, deputy secretary of the regional party committee, made a speech on strengthening village-level organizations with the party branch as their nucleus.

During the meeting, the participants, after exchanging and summing up their experiences, believed that the meeting had hit the nail on the head by clearly advancing the guiding ideology, objectives, tasks, and ways of strengthening village-level organizations with the party branch as their core. They said that they would make determined efforts to implement the resolutions adopted by the meeting when they were back home so that they would, through two or three years of hard work, build the basic-level organizations in rural areas into staunch bodies leading the masses to build a new socialist countryside.

Regional leaders including Zhao Fulin, Cheng Kejie, Chen Huiguang, Liu Mingzu, Hou Depeng, Zhong Jia-zuo, (Zhao Yishuang,) Lin Chaoqun, Peng Guikang, (Wang Zhuguang,) Li Jiwu, Long Chuan, (Liang Chengye,) (Shi Qingsheng,) and Huang Yuyang attended the meeting. Meng Duo, president of the Regional Higher People's Court was also on hand.

Zhao Fulin, secretary of the regional party committee, made a speech at the meeting. After affirming the

achievements made in all fields this year and pointing out the existing difficulties and problems, Zhao Fulin stressed the tasks for the next three months. He said: It is only 50 days away from the end of the year, and only three months from the Spring Festival. The next three months is a critical period which will serve as a link between past and future. There will be more and arduous tasks over the next three months which concern the current period and next year. We face many difficulties in accomplishing these tasks, but at the same time, we enjoy a lot of favorable conditions. We should make full use of the favorable conditions and try in every possible way to overcome difficulties, work in a down-to-earth manner to fulfill all tasks for this year, and make adequate preparations for the production next year to make greater progress.

To accomplish the tasks for the next three months, Zhao Fuling emphasized that it is necessary to keep tabs on: 1) economic work; 2) building socialist culture and ethics; and 3) party building. Zhao Fulin said: When it comes to economic work, we should strive for sustained, stable, and coordinated development for the region's economy. For agricultural production, it is necessary to place a firm grip on: 1) autumn harvest and winter planting. An increased harvest of late rice is possible. We should arrange the autumn harvest properly, reaping and threshing carefully so that the increased yield is really available to us. It is necessary to regard the winter planting as the task for one season and expand the cultivated area. For areas that registered a decreased yield of autumn harvest, it is all the more necessary to expand the area sown to winter crops as much as possible, improve management, and strive for a high yield. 2) The construction of water conservancy works. As soon as the autumn harvest is finished, we should immediately set off an upsurge of building conservation projects. 3) We should conscientiously make adequate preparations for the production next year. [passage omitted]

4) We should do a good job in helping the people to tide over natural disasters and restore production and in making adequate arrangements for the daily life of the masses. 5) We should deepen the rural reform around the central task of increasing rural productive forces and expanding socialist economy. We should stabilize and perfect the system of contracted responsibilities on the household basis with remuneration linked to output and gradually establish and perfect a socialized scientific and technical, supply, and marketing service system for the entire process of agricultural production, that is, before, during, and after the farming season. [passage omitted]

As to industrial production, we should: 1) Do a better job of economic improvement and rectification and deepened reform, and stabilize policies and enterprises. 2) Promote sales of products and promote production by increasing sales. At present we should seize the favorable opportunity in the market which has shown a turn for the better and make vigorous efforts to promote sales of products. 3) Keep tabs on the production of key enterprises and products. 4) Pay great attention to technical

transformation to lay a more solid foundation for industrial production. 5) Help enterprises overcome difficulties and provide better services to them to create favorable external conditions for their development.

When talking about the work to build socialist spiritual civilization, improve public security, and maintain social stability, Zhao Fuling stressed that it is necessary to: 1) Deepen the education on the party's basic lines. During the period from this winter to next spring, all cities and rural areas should continue the education on the party's basic lines, focusing on boosting the masses' faith in party leadership and socialism and raising their consciousness of upholding the four cardinal principles and combating bourgeois liberalization and erroneous ideas of every description. From this winter on, the governments at the regional, prefectural, urban, and county levels should send work teams to rural areas by stages and in groups to conduct education on the party's basic lines, give publicity to and implement the party's policies, and help strengthen basic-level organizations. 2) Make vigorous efforts to improve ideological and political work, constantly give publicity to the party's line, principles, and policies, and launch a campaign to learn from Lei Feng and other advanced elements more intensively and on a wider scale so that large numbers of cadres and the masses will raise their political consciousness, brace their spirits, and work hard for the four modernizations. 3) Continue the struggle against criminal activities and improve public security in a comprehensive way. 4) Continue the war against pornography and the "six evils." [passage omitted]

5) Do a good job in controlling population growth and work hard to fulfill various related quotas.

When talking about strengthening the party building, Zhao Fulin stressed: At present, it is necessary to: 1) Strengthen the building of leadership lineups so that they will be put on a more sound basis, become stronger, and enjoy higher fighting capacity. [passage omitted]

2) Strengthen party organizations at the basic level organizationally. In rural areas, we should stress strengthening party branches. At the same time we should strengthen other village-level mass organizations, which play a supportive role. 3) Make greater efforts to build clean and honest government. 4) Improve the work style and establish closer ties with the masses.

Zhao Fulin added: Our tasks are very arduous. We should further brace our spirits, boost our confidence, work ceaselessly and unrelentingly, and make concerted effort to really strengthen the party building and accomplish various tasks for this year so that we can greet the triumphant convocation of the sixth regional party congress with excellent achievements.

Further Reportage on Henan Provincial CPC Congress

Hou Zongbin Delivers Report

HK1411041390 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 9 Nov 90

[Text] In his report to the provincial party congress, Comrade Hou Zongbin stressed: We must conscientiously implement the strategic guiding principle of relying on science and technology to invigorate Henan and regarding education as our foundation, and bring our economic construction onto the track of relying on scientific and technical progress and enhancing the quality of our laborers.

Comrade Hou Zongbin said: We must strengthen the concept of the people of the whole province, and leading cadres at all levels in particular, on science and technology. We must firmly develop the idea of regarding science and technology as the first productive forces. We must mobilize forces in various quarters to join the chorus of invigorating Henan through science and technology. We must increase the factors in our industrial and agricultural output value beneficial to technical progress. Invigorating Henan through science and technology must be based on education. We must regard educational undertaking as a strategic focal point for invigorating Henan's economy. Various localities must stick to the principle of promoting coordinated development of education and economy, or letting education go a bit faster to gradually increase education funds. We must continue to employ the method of raising funds through various channels to make efforts to improve conditions for running schools. We must strengthen the building of teachers' contingent to constantly enhance its quality.

In his report to the provincial party congress, Comrade Hou Zongbin also discussed control of excessive population growth. He said: Whether or not we can exercise control over excessive population growth will directly affect the realization of our province's strategic targets of the second stage. This is not only a serious economic problem, but also a serious social and political problem.

Excessive population growth and and poor population quality have become an important problem which puzzles economic construction and social development in our province. The adverse development of population and economy has become a shocking fact. The annual direct spending on population growth in our province is roughly equal to the annual investment amount for capital construction under provincial financial planning. Abundant surplus labor force in both urban and rural areas has made our burden of creating job opportunities increasingly heavy. Therefore, we must enhance our sense of urgency of population control and our sense of historical mission in this regard to include family planning work in the work agenda of party committees at all levels. The targets of population control must be fulfilled by party committees at all levels, mayors, councillors, county magistrates, and village chiefs. A goal-directed responsibility system must be pursued in this regard.

Hou Report on Ideological Work

HK1411024190 Zhengzhou Henan: Provincial Service
in Mandarin 2300 GMT 10 Nov 90

[Text] In his report to the provincial party congress, Comrade Hou Zongbin pointed out: Ideological and political work is a powerful motive force for doing economic work and all other work well. It is also a basic method for training new people on the "four have's" and is a fundamental guarantee for maintaining the long-term stability of the general situation.

Comrade Hou Zongbin stressed: We must take Marxism-Leninism-Mao Zedong Thought as our guide to protractedly and persistently provide cadres and masses of the whole province with education in the party's basic line, basic national conditions, patriotism, collectivism, socialism, self-reliance, hard struggle, social morality, and socialist professional ethics. With regard to the broad masses of youngsters, we must constantly provide them with education in revolutionary tradition to help them develop a correct world outlook and outlook on life. We must strengthen education in communism for communist party members, Communist Youth League members, and other advanced elements. In factories, countryside, organs, schools, stores, and residential districts, our aim is to unify people's thinking, enhance their political consciousness, coordinate well relations among various quarters, straighten out people's feelings, unite with all forces that can be united with, and arouse the enthusiasm of all positive factors. We must do our ideological and political work in a profound and meticulous way, and avoid formalism and the practice of merely paying lip service.

Comrade Hou Zongbin also talked about strengthening the building of party organizations at the grass-roots level and enhancing their combat effectiveness. He said: To strengthen the building of party organizations at the grass-roots level, our emphasis must be laid on the leading bodies at that level. First, we must select and promote those party members who are able to conscientiously implement the party line, guiding principles, and policy; are honest in performing official duties; and forge close links with the masses to become members of party branch committees. We must particularly do well in electing party branch secretaries. Second, we must attach importance to the training and education of grass-roots cadres and constantly enhance the quality of leading bodies at the grass-roots level. We must enthusiastically show concern for grass-roots cadres and pay attention to protecting and arousing their enthusiasm. We must support and guide their work. In the meantime, we must set strict demands on them and do well various kinds of training work for them. Third, in the course of maintaining the relative stability of grass-roots leading bodies, we must promptly consolidate and readjust those leading bodies which are weak, lax, paralyzed, or semi-paralyzed. While conscientiously grasping the building of party branches, we must also do well in consolidating the building of villagers' committees and neighborhood committees.

Hou Presides at Presidium Meeting

HK1411013990 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 10 Nov 90

[Excerpts] The Presidium of the fifth Henan provincial party congress held its third meeting yesterday evening [10 November]. The meeting was presided over by Hou Zongbin, executive member of the Presidium.

The conferees listened to a report by Comrade Liu Guangxiang on the discussions conducted by party delegates on candidates for membership and alternate membership of the provincial CPC Committee and for membership of the provincial Advisory Commission and provincial Discipline Inspection Commission. A decision was made at the meeting on the list of candidates for membership of the provincial CPC Committee and the provincial Discipline Inspection Commission. The list will be submitted to all party delegates for their votes.

Comrade Liu Guangxiang also reported to the meeting on the discussions of party delegates on the methods of election. The meeting approved the methods of election. [passage omitted]

Entrusted by the Standing Committee of the Presidium of the congress, Comrade Lin Yinghai explained to the meeting the examination, discussion, and revision of the work report to the fifth provincial party congress. Delegates fully affirmed the report and generally maintained that the work report links the spirit of the Fourth, Fifth, and Sixth Plenary Sessions of the 13th CPC Central Committee with the practical conditions in Henan, that it appropriately affirms the achievements of our province over the past six years, that it accurately reflects the problems existing in Henan and the key factors affecting the development of our province, and that it puts forward in an all-round way the main tasks and targets of struggle for the coming five years. They praised the report for its clear and definite guidance thinking, emphasis on focal points, distinct theme, and profound contents. They said that it is a practical and encouraging report. In the course of examining and discussing the report, delegates also put forth some good opinions and proposals. [passage omitted]

Presidium Holds Fourth Session

HK1411084190 Zhengzhou Henan Provincial Service
in Mandarin 2300 GMT 11 Nov 90

[Text] The presidium of the Fifth Henan Provincial CPC Congress held its fourth session yesterday evening. The session was presided over by Hou Zongbin, member of the Presidium Standing Committee.

The meeting listened to a report by Comrade (Liu Guangxiang) on the two mishaps he met with.

The meeting finalized the name lists of the candidates for membership and alternate membership of the provincial party committee, membership of the provincial Advisory Committee, and membership of the provincial Discipline

Inspection Commission. The name lists will be submitted to the congress for formal election this morning.

The meeting also listened to the reports made by various delegations on their deliberations on the work reports by the provincial Advisory Committee and the provincial Discipline Inspection Commission.

Comrade Lin Yinghai read out the draft resolutions on the work reports by the provincial party committee, provincial Advisory Committee, and provincial Discipline Inspection Commission at the meeting. The meeting approved the three resolutions, which will be submitted to the congress for formal approval this afternoon.

Committee Elects Party Leadership

OW1311183790 Beijing XINHUA Domestic Service
in Chinese 1232 GMT 13 Nov 90

[Local broadcast news service]

[Text] Zhengzhou, 13 Nov (XINHUA)—At the First Plenary Meeting of the Fifth Henan Provincial CPC Committee today, Hou Zongbin was elected secretary of the provincial party committee and Li Changchun, Wu Jichuan (0702 1015 0278), and Lin Yinghai were elected deputy secretaries of the provincial party committee. The first plenary meeting of the Henan Provincial CPC Advisory Committee elected Li Ming (7812 2494) vice chairman of the provincial Advisory Committee. The First Plenary Meeting of the Henan Provincial CPC Discipline Inspection Committee elected Lin Yinghai as its secretary.

Southwest Region

Guizhou Secretary Attends Women's Congress

HK1411104690 Guiyang Guizhou Provincial Service
in Mandarin 2300 GMT 13 Nov 90

[Excerpts] The Sixth Provincial Women's congress was solemnly opened in Guiyang yesterday [13 November] afternoon. The opening session was presided over by (Li Xianhui), deputy head of the leading group for the preparation of the Sixth Provincial Women's Congress. (Long Yuying) delivered the opening speech. Comrade (Yang Chungui) submitted a work report on behalf of the Fifth Executive Committee of the provincial Women's Federation. Attending yesterday's opening session were provincial party, government, and military leaders Liu Zhengwei, Su Gang, (Yao Kunping), Ling Zhiyi, Zhang Shukui, Hu Kehui, (Su Qi), Liu Hanzhen, Luo Dengyi, Wang Zhenjiang, Jian Xianai, Meng Sufen, and veteran comrades (Qian Xinggen) and (Bai Ling), and others.

On behalf of the provincial party committee, provincial Deputy Party Secretary Long Zhiyi extended warm congratulations to the meeting. He said: Five whole years have passed since the last congress. Over the past five years, great changes have taken place and marked results have been achieved in all fields of our endeavor. This is

the result of the efforts of party committees and governments at all levels in guiding the people of the province to fight bravely in unity, which is also cemented with the work and sweat of the women of all nationalities throughout the province. [passage omitted]

Long Zhiyi called on women throughout the province to unswervingly follow the party's basic line; enhance their quality in an all-round way; develop the spirit of self-respect, self-confidence, self-reliance, and self-improvement; and plunge into the cause of reform and construction with a high spirit of doing solid work. [passage omitted]

Long emphasized in his speech: A Marxist attitude toward women needs to be cultivated throughout the party and society. Party committees at all levels should strengthen their leadership in women's work. All sectors of the society should make common efforts to defend women's legal rights and interests to create a good environment for their progress and development. Meanwhile, party committees at all level should help, support, and guide women's federations to independently carry out their work around the party's central task; assist women's federations in resolving some practical difficulties they encounter in their work, and coordinate forces of different sources to concertedly support the development of the province's women and children undertakings. [passage omitted]

Winter Conscription Registration Begins in Lhasa

OW1411095290 Lhasa Tibet Television Network
in Mandarin 1300 GMT 13 Nov 90

[Text] Full-scale registration for this year's winter conscription has begun in Lhasa City. The sign-up for military service has attracted large numbers of youths. [Video begins with shots of a row of young men walking to a registration office; camera then cuts to show people crowding outside registration windows.]

After undergoing preliminary screening by various departments and units and local police stations in accordance with the city's conscription procedure, the broad masses of youths began to sign up at autonomous regional and city registration offices on 12 November in order to help protect the long-term security of their motherland and hometown and the autonomous region.

In conducting registration for eye tests, comrades from the autonomous regional and city conscription offices strictly followed relevant national and autonomous regional demands and regulations, and conducted careful examination and registration by paying particular attention to the draftees' ages, household records, and educational levels, in order to ensure the quality of conscription work. [Video shows a young man taking an eye examination and limbering up in physical checkup; it also shows officers processing paperwork and measuring the blood pressure of draftees.]

North Region

Wang Qun Attends National Unity Rally in Hohhot

SK1311014690 Hohhot Inner Mongolia Regional
Service in Mandarin 1100 GMT 10 Nov 90

[Excerpts] After successfully fulfilling the items on the agenda, the autonomous regional commendation rally in honor of advanced units and individuals outstanding in promoting nationalities progress and unity concluded in the city of Hohhot on the afternoon of 10 November.

Zhang Dinghua, deputy secretary of the autonomous regional party committee, presided over the rally's closing ceremony.

Ismail Amat, vice chairman of the National Chinese People's Political Consultative Conference [CPPCC] Committee, attended the closing ceremony and was seated in the front row of the rostrum.

Also seated in the front row of the rostrum were leading personnel from the autonomous regional party, government, and Army organs as well as the regional CPPCC Committee, including Wang Qun, Bu He, Qian Fenyong, Hao Xiushan, and Yang Enbo, and Ting Mao, member of the Central Advisory Commission.

Seated on the rostrum were Liu Yunshan, Chen Kuiyuan, Bai Enpei, Butegeqi, Zhang Cangong, Seyinbayar, Xu Lingren, Liu Zhenyi, Zhou Rongchang, Cui Weiyue, Liu Zuohui, Zhao Zhihong, Wu Ligeng, Han Ming, Li Shuyuan, Yun Zhaoguang, Wang Chongren, Su He, Yun Shufen, Wu Lan, and (Wang Daixian), who had long worked in the region.

During the closing ceremony of the rally, Pei Yingwu, vice chairman of the autonomous regional people's government, announced the decision made by the autonomous regional party committee and the regional people's government on commending advanced units and individuals outstanding in promoting nationalities progress and unity. Amid warm applause, Ismail Amat and the region's leading personnel presented citations and honorary certificates to 69 advanced units and 73 advanced individuals commended by the State Nationalities Affairs Commission as well as to 156 advanced units and 146 model individuals commended by the autonomous regional authorities. [passage omitted]

Following the award presentation, Zhang Dinghua delivered a speech in which he put forward specific opinions on implementing the spirit of the commendation rally. [passage omitted]

The rally was closed amid the singing of songs of various nationalities which brought the people closer to each other.

Inner Mongolia To Check Unjustified Charges*SK1411094590 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 13 Nov 90*

[Text] The regional party committee and government this afternoon held a regional television conference to further implement the decision of the party Central Committee and the State Council on resolutely checking unjustified service charges, fines, and all sorts of financial levies, to mobilize the people and work out plans for our region to carry out this work.

Chen Kuiyuan, member of the regional party committee Standing Committee, presided over the conference. Bu He, chairman of the regional government, and Pei Yingwu, vice chairman of the region, addressed the conference. Sha Tuo, vice chairman of the regional People's Congress, and Tu Ke, vice chairman of the regional committee of the Chinese People's Political Consultative Conference, attended the conference.

Chairman Bu He put forward demands on our region's work to check unjustified service charges, fines, and financial levies. First, we should pay great attention to this work. He said: The key to making this work a success lies on leaders' full understanding of the importance and urgency of this work. We should proceed in the work from the fundamental interests of the party and the people and be determined to solve problems in the unjustified service charges, fines, and financial levies. The principal leading comrades of all leagues, cities, departments, and units concerned in the region are urged to assume personal leadership over this work and conscientiously carry it out.

Second, leading organs and departments should play an exemplary role. The regional party committee and the regional government have called on leading organs and departments at all levels and all units in charge of collecting financial levies, imposing fines, raising funds, and prorating additional expenses to make self-investigation and clear up their problems one after another. Charges, fines, raising of funds, and additional levies that have failed to go through regular procedures of approval and are not collected in line with state policies should be stopped resolutely and abolished in explicit terms. In addition, we should do a good job in publicizing this work among the masses and should give them guidance.

Third, we should have a good grip on policies. Checking unjustified service charges, fines, and additional levies is work concerning important policy issues. We must be active but prudent in carrying out this work, draw distinctions in accordance with the party's policies, differentiate the proper and reasonable charges, fines, and raising of funds in line with the relevant state regulations from unjustified collection of service charges, fines, and additional levies, seek truth from facts, proceed from reality while doing everything, adopt the principle of analyzing the specific situation with specific ways and dealing with each case on its merits, and must not seek uniformity. Reasonable and legal collection of charges and fines is also a means. Without an

essential management means, it is impossible for us to effectively safeguard a normal order in economic and social life.

Fourth, we should strengthen media publicity work in the course of checking unjustified collection of charges, fines, and additional levies.

In his speech, Pei Yingwu stressed: In the course of this work, we should organize and coordinate with the efforts of all quarters. He said: The regional people's government has decided that the price department should be responsible for the work of clearing up and consolidating unjustified collection of service charges. The clearing up and consolidating of unjustified proration of additional expenses and imposition of fines will be led by the office in charge of checking unjustified collection of service charges, fines, and levies and shared by the planning, economic, financial and agricultural commissions. In carrying out the aforementioned tasks, we must first properly resolve problems in our own trades. In the course of this work, we must pay attention to strengthening the building of systems. In carrying out this work, we must make resolute and long-term efforts, concentrate efforts and time on it, and persist in conducting regular supervision and inspection. As required by the party Central Committee and the State Council, on the whole, we will devote one year to basically completing this work. However, we should also recognize that concentrating time and efforts on checking disorderliness in this field is not only aimed at resolving problems in the indiscriminate, disorganized, and arbitrary collection of funds through clearing up and consolidating unjustified collection of charges, banning illegal acts, and safeguarding legal collection of service charges, fines, and additional fees. More importantly, it is aimed at stopping up loopholes through investigation, strengthening management, perfecting systems, improving work and eliminating the roots of disorderliness.

Commentary on 'Unhealthy Trends'*SK1411100390 Hohhot Inner Mongolia Regional Service in Mandarin 1100 GMT 13 Nov 90*

[Station commentary: "In Checking Unjustified Collection of Service Charges, Fines, and Additional Levies, We Must Also Check Unhealthy Trends in Various Trades"]

[Text] The phenomena of unjustified collection of service charges, fines, and additional levies have become the current social problem against which the masses of people have strong complaints. The seriousness of this problem is directly related to unhealthy trends in various trades. Therefore, in doing this work, we should check unhealthy trends in various trades.

Owing to the fact that some trades and departments proceeded with their work from the interests of a small group, forgot all moral principles at the sight of profits, paid no attention to the overall situation, and abused their powers to formulate policies, issue documents, and collect service charges and additional levies arbitrarily—

the phenomenon of competing with one another in collecting charges even existed in some departments and trades—the order of checking unjustified collection of service charges, fines, and additional levies become an ineffective law in some localities. If we fail to check this, the unhealthy trends in various trades will continue to develop unchecked.

The unhealthy trends in various trades have absolutely departed from the essence of our country's socialist system and the wishes of the masses of people. They are corrosive for our cadres and the ranks of workers and disunite the relations between the party and the masses and between the cadres and the masses. We must not underestimate their seriousness and harmfulness.

Governments and departments at all levels are undertaking the responsibilities of directly organizing economic construction and managing the society. Unhealthy trends in the law-enforcement and supervisory departments that always have direct contacts with the masses, the economic management departments, and the general utilities units in particular have imposed even greater influence on the masses of people. So, in the course of checking unjustified collection of service charges, fines, and additional levies, all localities, departments, and trades should enhance their understanding, adopt effective measures, set examples, understand this work from the perspective of rectifying party style, strengthening the building of clean politics, and maintaining close ties between the party and the masses and between the cadres and the masses, combine it with checking unhealthy trends in various trades and eliminating corruption, consider it as an important task in improving the economic environment and rectifying economic order, and carry it out conscientiously.

Northeast Region

Jilin Secretary Speaks at Party School Meeting

SK1411114990 Changchun Jilin Provincial Service
in Mandarin 1030 GMT 13 Nov 90

[Text] This morning, the provincial party committee held a provincial conference on party school work at the party school of the provincial party committee. The conference was presided over by Du Qinglin, deputy secretary of the provincial party committee. He Zhukang, secretary of the provincial party committee, made a speech entitled "Strengthening the Education on Marxist Theory, and Striving To Build Party Schools Into the Three Fronts and the One Furnace."

In his speech, He Zhukang expounded on the issue of deeply understanding the strategic significance of arming all cadres with Marxist theory under the new circumstances, the issue of paying excellent attention to and giving full play to the special role of party schools in building the ranks of cadres, and the issue of party committees at all levels having to actually strengthen their leadership over the party school work.

Gao Yan and Ren Junjie, standing committee members of the provincial party committee, attended the conference.

Quan Shuren Attends Office Meeting in Jinzhou

SK1311065790 Shenyang Liaoning Provincial
Service in Mandarin 1030 GMT 10 Nov 90

[Text] The provincial party committee and government yesterday held an on-the-spot office meeting in Jinzhou City to study and work out plans for opening five cities in the western part of Liaoning to the outside world and to study their economic development situation and economic development strategy. Leading comrades, including Quan Shuren, secretary of the provincial party committee; Sun Qi, deputy secretary of the provincial party committee; Zhu Jiazhen, member of the Standing Committee of the provincial party committee; and responsible comrades of five cities including Jinzhou, Fuxin, Panjin, and Jinxi attended the meeting. The meeting conscientiously studied the issues of opening up and building infrastructural facilities in the five cities in the western parts of Liaoning. Leading comrades including Quan Shuren and Zhu Jiazhen, gave important speeches at the meeting.

The meeting noted: Successfully opening the five cities in the western parts of Liaoning to the outside world, we must find a foothold. The pressing task now is to push the work of earning foreign exchange through export and utilizing foreign capital. This requires our efforts to further improve the investment environment. At present, the primary issue is to concentrate efforts on accelerating the construction of Jinzhou Port. In order to do a good job in building support facilities in Jinzhou Port, the meeting decided to adopt the contract investment method to boost the enthusiasm of the localities and to set a time limit for building the Jinzhou-Chaoyang and Jin-Fuxin highways to move more off-loaded goods by truck from the port and for building the local railway between Gaoqiao and Tianqiao to form a highway and railway network around Jinzhou Port and enable Jinzhou Port to play a greater role in opening to the outside world.

The meeting also noted: While attending to building infrastructural facilities, we should properly handle the relations between industry and agriculture and pay attention to agricultural development. The meeting called on the five cities in the western parts of Liaoning to rely on their local advantages in their opening up and economic construction work, to be geared to the needs of domestic and foreign markets, render good service, further enhance their ideology on opening up, and rapidly change their ideology to cope with the demands of opening up.

On the day before the meeting was held, Quan Shuren, secretary of the provincial party committee, and Zhu Jiazhen, provincial vice governor, inspected the Jinzhou Port and Jinzhou Airport.

Improved Trade Relations With U.S. Expected*OW1111175190 Taipei CNA in English 1608 GMT
11 Nov 90*

[Text] Taipei, Nov. 11 (CNA)—The Republic of China's [ROC] trade relations with the United States are expected to improve in the years ahead as the country has made great progress in solving trade issues between the two countries, a ranking official said Saturday.

The official of the cabinet and the Committee on ROC-US Trade stressed that Taipei has substantially reduced its trade surplus with the U.S., lowered tariffs, allowed the new Taiwan dollar to appreciate, and promoted both trade and financial liberalization as well as the protection of intellectual property rights.

"We have done even more than the Americans have asked," the official said. He predicted that ROC-US trade relations will enter a new era in the not-too-distant future.

The American officials and business leaders attending the 14th joint conference of ROC-USA and USA-ROC economic councils this week should be satisfied with Taipei's efforts, he added.

According to government statistics, the Republic of China's 1990 trade surplus with the United States is expected to shrink to between nine and 10 billion U.S. dollars from nearly 11 billion U.S. dollars last year.

Since the trade surplus reached its peak of some 16 billion U.S. dollars the trade gap between the two countries has been narrowing faster than the 10-percent annual decrease Taipei promised in a program designed to improve trade relations with the United States, the official explained.

The country's average nominal tariff rate was lowered to 9.25 percent in 1989 and dropped further to 8.92 percent this year, far lower than the 10.25 percent and 9.17 percent demanded by the United States.

Taipei has also substantially reduced non-tariff trade barriers, with the number of items subject to import restriction now accounting for only 2.73 percent of imports.

Moreover, the number on items which can be imported without import permits has increased to 60 percent, up from 40 percent in the past.

The exchange rate between the new Taiwan dollar and U.S. dollar has also changed substantially in recent years, with the Republic of China currency appreciating more than 40 percent from 40 NT [new Taiwan] dollars against one greenback in 1987 to 27.3 NT dollars against one U.S. dollar now.

The official pointed out that the ROC has attempted to reduce its trade surplus with the U.S. by sending 16 buy-American missions to the United States to purchase 11 billion U.S. dollars' worth of American agricultural and industrial products.

Improvements have also been made in the protection of intellectual property rights, a major U.S. concern in its trade relations with the Republic of China, he said.

Soviet Trade Mission Leaves Taiwan*OW1011190390 Taipei CNA in English 1458 GMT
10 Nov 90*

[Text] Taipei, Nov. 10 (CNA)—The three-member trade mission from the Soviet Union left Taipei for home Saturday after placing some 100 million US dollars worth of orders with Republic of China suppliers.

The Russian visitors unanimously said prior to their departure that they were impressed with Taiwan's economic prosperity. They were also optimistic about future trade relations between the two countries.

Vladimir Ryashentsev, head of the Soviet mission, predicted that Taiwan-Soviet trade would grow rapidly in years ahead.

Ryashentsev said payments for orders placed with Taiwan suppliers will be made in three ways. But he did not elaborate.

The Soviet mission arrived in Taipei Nov. 4 at the invitation of the Taipei-based Bosmos Brothers Co. to purchase Taiwan-made consumer products.

Soviet Cultural Minister Visits Taiwan*OW1211193290 Taipei International Service
in English 0200 GMT 12 Nov 90*

[Text] The first Soviet Union trade mission to visit Taiwan in four decades Saturday wound up their week-long stay on the island after placing more than US \$100 million worth of orders for consumer items.

A spokesman for the Bosmos Brother Corporation, the trading firm under the Chunghsing Textile Group, which arranged the Russian delegation's visit, noted that the mission members promised to procure up to 6 billion U.S. dollars' worth of goods from Taiwan within the next five years. The delegation came on the heels of Moscow Mayor Popov who paid a two-day visit to Taiwan late October also at the invitation of the Chunghsing Textile Group. Popov was the highest ranking Soviet official to visit Taiwan since Taipei severed diplomatic ties with Moscow in 1949, sources said.

In a related news, Cultural Affairs Minister of the Soviet Union Nikolay Gubenko arrived in Taipei Sunday for several days again invited by the Chunghsing Textile Group. Gubenko replaces Popov and is the highest Soviet official to visit Taiwan in four decades. The Soviet Union is currently Taiwan's largest trading partner in Eastern Europe with two-way trade totalling US \$76.6 million in the first nine months of this year and is expected to hit US \$100 million for all of 1990.

The ROC [Republic of China] lifted the ban on direct trade and investment with the Soviet Union in March

this year and it was placed on the list of countries eligible for consideration under the overseas economic development and cooperation funds.

In one more related news, Vice Economic Minister Wang Chih-kang stressed that expanding relations with the Soviet Union should not be done hastily. He said the current stage of relations should focus on personnel exchanges, gathering information, and building a basis for economic and trade relations. He pointed out that ROC personnel should be stationed in Moscow to gather trade and economics related information.

Costa Rican President Concludes Visit

OW1111165690 Taipei CNA in English 1549 GMT
11 Nov 90

[Text] Taipei, Nov. 11 (CNA)—President Li Teng-hui saw off Costa Rican President Rafael Angel Calderon at Syungshan military airport Sunday noon.

The Costa Rica chief of state, who flew into Taipei Nov. 6 for a six-day visit to the Republic of China [ROC] on Taiwan, arrived at the airport at 11:15.

The chiefs of the two states jointly reviewed an honor guard from the ROC Armed Forces before Calderon departed for Japan.

Earlier Sunday, Calderon and his spouse paid a brief courtesy call on President Li to express their appreciation for the hospitality extended to them during their stay in the Republic of China.

Calderon, who had visited the Republic of China twice before, told Li that he had been deeply impressed by the prosperity and stability of the Republic of China. The hospitality of the people, Calderon added, was even more unforgettable.

Calderon thanked the ROC for the long-time assistance given to his country and said he believed that bilateral cooperation between the ROC and Costa Rica will become ever closer in the years ahead.

Li said the Republic of China attaches great importance to its friendship with Costa Rica, and stressed that the ROC will share its development experience with Costa Rica.

Communique Signed

OW1111175690 Taipei CNA in English 1600 GMT
11 Nov 90

[Text] Taipei, Nov. 11 (CNA)—President Li Teng-hui and President Rafael Angel Calderon signed a joint communique here Sunday pledging to boost industrial and technological cooperation between the Republic of China [ROC] and the Republic of Costa Rica.

The joint communique was signed Sunday morning at the presidential office with ranking officials of the two countries witnessing. Calderon flew into Taipei Nov. 6 for a six-day state visit to the Republic of China on Taiwan.

Since November 1982, the Republic of China has sent three technical teams to Costa Rica to assist it develop agriculture, fisheries, and bamboo processing.

Both countries, the communique said, were pleased with the accomplishments of the three ROC technical teams.

The two countries thereby agreed to further expand industrial cooperation and exchanges, especially in the development of small- and medium-sized enterprises, a field in which the Republic of China has great experience, the communique said.

According to the communique, the Republic of China will soon begin construction of an export processing zone in Costa Rica, which will help attract investments to Costa Rica and strengthen bilateral economic relations.

The two countries fully respect such international principles as not interfering in each other's internal affairs, equality between nations and protection of human rights, the communique noted.

The principles, the communique said, are the basic elements needed to maintain global stability, harmony, and friendship.

Both the Republic of China and Costa Rica are optimistic about prospects for international peace, security, and cooperation, the communique noted.

The two countries, the communique explained, would like to join forces to review the current international financial and trade systems in the hope that developing countries can play a greater role in the systems.

President Li has accepted an invitation extended by Calderon to visit Costa Rica, the communique said, with further details about the visit to be arranged by the two governments.

Calderon, the communique noted, appreciated the hospitality extended to him and his entourage during their stay in the Republic of China.

While here, the Costa Rica chief of state met with President Li Teng-hui, Premier Hao Po-tsun, Foreign Minister Chien Fu and Economic Affairs Minister Hsiao Wan-chang.

The meetings, the communique said, were held in an atmosphere of understanding and friendliness, like the long-standing cordial and friendly ties between the two countries.

Freeze on Kuwaiti, Iraqi Accounts Requested

OW1311212690 Taipei CNA in English 1537 GMT
13 Nov 90

[Text] Taipei, Nov. 13 (CNA)—The Central Bank of China (CBC) announced Tuesday it has requested all foreign exchange banks in the Republic of China to freeze Iraqi and Kuwaiti assets in line with Resolution 661 of the United Nations Security Council.

The central bank formally notified the banks Tuesday afternoon that remittance links with Iraq and Kuwait should be suspended for the time being and that "extreme caution" should be taken in dealing with cases involving the transfer of assets of the two countries.

A CBC spokesman said the measures were adopted in support of UN calls for the world to impose comprehensive economic sanctions against Iraq and to help the legitimate Kuwait Government protect the country's assets in the wake of Iraq's Aug. 2 invasion of Kuwait.

The UN Security Council said in its Resolution 661 that all countries should join the move by cutting trade and transportation links with Iraq and by boycotting other activities that may facilitate such links with the Middle East country.

Taipei, which has diplomatic relations with neither Baghdad nor Kuwait, has condemned Iraq for its aggressive behavior and pledged to support the UN sanctions against Iraq.

Banking sources said the CBC announcement is mainly a formal gesture because banks in the country have effectively suspended financial links with Iraq and Kuwait due to the high risks involved.

Vietnam Allows Taiwan Company To Drill for Oil

*OW1311212590 Taipei CNA in English 1533 GMT
13 Nov 90*

[Text] Taipei, Nov. 13 (CNA)—The Vietnamese Government has agreed to allow the Taipei-based Chinese Petroleum Corp. [CPC] to prospect for crude oil in its No. 115 oil field in the Gulf of Tonkin, a CPC spokesman reported Tuesday.

The CPC-affiliated Overseas Petroleum and Investment Corp. struck a deal with Secab of Sweden in May to acquire 20 percent of Secab's shares in an international oil prospecting joint-venture in Vietnam's offshore oil field, the spokesman said.

Vietnamese authorities approved the partial transfer of Secab shares to the Republic of China's state-run oil company Oct. 22, the spokesman noted.

The No. 115 oil field off Vietnam's north coast covers 6,719 square kilometers. The multinational oil-prospecting concern is entitled to drill three wells in the oil field within three years, the CPC spokesman explained.

Australia Supports Taiwan Joining Economic Group

*OW1311214890 Taipei CNA in English 1605 GMT
13 Nov 90*

[Text] Taipei, Nov. 13 (CNA)—Australia will support the Republic of China on Taiwan, which has emerged as a Pacific economic power, to join the Asian Pacific Economic Cooperation (APEC) group, the Australian representative in Taipei said Tuesday.

R.J. O'Donovan, head of the Australian commerce and industry office in Taipei, told reporters his government also supports Hong Kong and China mainland efforts to join the APEC organization at the same time.

O'Donovan's remarks came one day after Australian Foreign Minister Gareth Evans announced in Canberra that the South Pacific country was planning to strengthen economic and trade relations with the Republic of China.

The plan, approved by the cabinet Monday, called for increasing government support for Canberra's unofficial trade office in Taipei, the possible upgrading of Taipei's representation in Australia, and the establishment of direct air links between the two countries.

APEC countries reached a consensus on the simultaneous admission of Taipei, Hongkong and Peking—the so-called "three Chinas"—during its late-July ministerial meeting in Singapore.

"Australia, which plays a leading role in APEC, will support the motion," O'Donovan told reporters.

Commenting on Taipei's bid to join the General Agreement on Tariffs and Trade (GATT) in the name of a customs territory, O'Donovan predicted that the application will be accepted by GATT authorities next year if everything goes smoothly.

The representative said the Republic of China has become one of the strongest economic powers in the Pacific Basin and Canberra believes that Taipei's admission to GATT will help bring new vigor to the economies of the region.

O'Donovan added that Taipei should make greater efforts to persuade such major GATT members as the United States and Japan to support its bid to join the international trade body.

Australia, Taiwan Negotiate on Direct Air Service

*OW1311214990 Taipei CNA in English 1519 GMT
13 Nov 90*

[Text] Taipei, Nov. 13 (CNA)—Australia's top representative in Taipei said Tuesday that Australia and the Republic of China [ROC] will complete negotiations on an aviation agreement early next year at the latest.

R.J. O'Donovan of the Australian commerce and industry office in Taipei said that when ROC's flag carrier China Airlines and Australian Qantas Airways form their affiliate companies, both airlines will launch Taipei-Sydney air service.

O'Donovan said once direct flights are launched, the Republic of China's Far East Trading Co. in Melbourne and its Sydney branch will be renamed and their functions increased.

Canberra has just completed an evaluation of its ties with Taipei. O'Donovan said his government's last similar assessment was made in 1986.

He said that after four years of observation, Canberra has concluded that Taiwan should play a greater role in Australia's foreign trade. Two-way trade between the

Republic of China and Australia reached 3 billion US dollars last year, and the ROC became Australia's fifth-largest trading partner.

This is one reason why the Australian Government has decided to promote trade ties with the Republic of China, according to O'Donovan.

Hong Kong

PRC-UK Joint Liaison Group Talks Planned 'Soon'

HK1411024790 Hong Kong HONGKONG STANDARD
in English 14 Nov 90 p 6

[By Stanley Leung]

[Text] China and Britain will soon hold Joint Liaison Group [JLG] talks on ensuring continued provision of legal assistance between Hong Kong and foreign countries after 1997.

It will be one of the new topics dealt with by the diplomatic body which was set up to ensure a smooth transfer of power in 1997.

A JLG source said discussions between China and Britain would begin soon, probably after the arrangements were settled on extradition of offenders.

It is understood the JLG discussions and negotiations between Hong Kong and foreign countries (other than China) will take several years.

According to the Joint Declaration, China shall assist, or authorise the Hong Kong Special Administrative Region Government to make appropriate arrangements for reciprocal juridical assistance with foreign states.

A working group on "mutual legal assistance" would be set up and headed by Deputy Secretary for Security Ian Strachan to assist the JLG talks and oversee subsequent negotiations with foreign countries.

The source said the talks would be similar to those on extradition, which was also a form of legal assistance.

At the last JLG meeting, in September, the two sides reached agreement in principle on the detail of future arrangements for the surrender of fugitive offenders between Hong Kong and foreign countries.

At present, Hong Kong, under the name of Britain, has different forms of co-operation with other countries on provision of such assistance, both in civil and criminal cases. They include taking testimony and serving summonses.

After the JLG resolved the question, Hong Kong needed to re-negotiate existing agreements with foreign countries so co-operation would continue after 1997.

Expecting the forthcoming workload, the Government created a post of deputy secretary in the Security Branch so the existing deputy secretary, Mr Strachan, could spare more time to monitor current discussions on extradition and future discussions on legal assistance. The new "legal assistance" working group also includes officials from the Legal Department.

As with the case of extradition, the JLG talks on mutual legal assistance do not refer to China links. At present, there is no governmental co-operation in this area between Hong Kong and the mainland. Arrangements

after 1997 will be subject to negotiations between Hong Kong and the central or provincial authorities.

Local lawyer Liu Yiu-chu, who is familiar with the mainland system, said in some cases, co-operation was needed between two places on some legal proceedings.

For example, co-operation from the mainland was needed when sentence was made in Hong Kong. It needed to be registered with local authorities in the mainland for implementation.

Ms Liu said it was not time for discussions between Hong Kong and the mainland on future legal assistance provisions.

Councillors Asked To Drop 'Omelco' Label in PRC

HK1411022590 Hong Kong SOUTH CHINA
MORNING POST in English 14 Nov 90 p 7

[By Kent Chen and Vivian Chu]

[Text] The New China News Agency is understood to have written to the Office of the Members of the Executive and Legislative Councils [Omelco], asking that members not tag themselves as being an Omelco group when they travel to Guangdong province.

The message was contained in a letter welcoming a planned visit on January 11-12 by a team of 17 members of Omelco to Dongguan and Shunde to study Hong Kong investments in the two counties.

Mr Zhang Junsheng, a vice-director of the local branch of the NCNA, yesterday declined to confirm the contents of the letter.

But a Legislative Councillor, Mr Ho Sai-chu, who is also a local delegate to the Chinese People's Political Consultative Conference, said the Omelco label would be avoided in view of political sensitivities.

Instead, the team will be referred to as "a group of councillors".

Speaking after a science and technology exhibition yesterday, Mr Zhang said increasing contacts between China and Hong Kong officials was good for the two sides.

Mr Zhang, who had just returned from a high level propaganda conference in Beijing, said Hong Kong played an important part in China's overall foreign propaganda strategy.

Although propaganda in Hong Kong was not specifically discussed at the conference, Mr Zhang said: "Hong Kong plays a very important role in the reform and open door scheme. It serves as a good reference for us."

Mr Zhang added that the chairing of the meeting by Communist Party chief Mr Jiang Zemin, Prime Minister Mr Li Peng and Politburo member Mr Li Ruihuan indicated the importance the central Government attached to the conference.

"It (propaganda work) is not only about the press, various areas in foreign affairs, trade, tourism, cultural and scientific exchange all play a part in enhancing mutual understanding," he said.

Asked about China's reporting restriction on the Hong Kong press, Mr Zhang said the measures, which had been in place since last year, would be reviewed.

Meanwhile, it is expected that Mr Qin Wenjun, the former deputy party secretary of Shenzhen in charge of ideology and propaganda, will assume control of propaganda affairs at the NCNA currently under Mr Zhang.

Asked about his new role when Mr Qin arrives, Mr Zhang said: "I don't know. He has yet to come."

Macao

Soares To Visit; Intent To 'Stabilize' Situation

HK1211021990 Hong Kong HONGKONG STANDARD in English 12 Nov 90 p 3

[Text] Portuguese President Mario Soares said in Tokyo yesterday that he would go to Macao this week to "stabilise and downplay" the political situation in the enclave.

Mr Soares arrived in the Japanese capital yesterday for the enthronement ceremony of Emperor Akihito.

He said that his visit to Macao was to defuse the political situation there following the departure of former governor Carlos Melancia, who resigned following September's allegations of corruption.

The Portuguese president said his visit to Macao was based on an understanding with the Premier, Cavaco Silva.

The understanding that was reached between the Socialist president and the Social Democratic premier is seen by observers as crucial, since both are known to be political rivals.

President Soares said his short, 48-hour visit, from Thursday evening to Saturday afternoon, was "opportune" because of the enclave's proximity to Japan.

Chinese Official Warns Government About Monorail

HK1411015190 Hong Kong SOUTH CHINA MORNING POST in English 14 Nov 90 p 3

[By Adam Lee in Macao and Eamonn Fitzpatrick]

[Text] The Macao Government should think very carefully before investing in an elevated monorail system, a senior Chinese official warned yesterday.

The director of the New China News Agency in Macao, Mr Guo Dongpo, said heavy investment in the proposed system, details of which were released at the weekend, would cause problems.

Mr Guo, speaking in Chengdu in Sichuan after a Macao Basic Law Drafting Committee working group meeting, said the authorities should make careful studies and consider the financial implications.

"All construction programmes must be placed in order of importance so that several big projects are not launched at the same time," Mr Guo said.

He also queried the cost of building the international airport on Taipa island which is set to open in 1993. It was originally estimated to cost \$3.5 billion, but due to a change of plans and inflation, Macao's Under-Secretary for Transport and Public Works, Mr Luis Vasconcelos, has recently put the figure at \$4.5 billion.

Mr Guo, the de facto official Chinese representative in the enclave, said although the airport had to be built, the problem of noise pollution should be addressed.

Chinese authorities in neighbouring Zhuhai are dissatisfied with the direction of the runway, saying it will cause jets to overfly their territory.

They have repeatedly urged Macao to change the direction but the Macao Government says all its study reports by foreign experts indicate Zhuhai will not be affected.

A team of Beijing experts arrives in Macao on Monday for further talks with Macao engineers on the issue.

Meanwhile in Hong Kong, legislative Councillor Mr Ho Sai-chu yesterday defended allegations of a conflict of interest over the appointments of certain members of the Provisional Airport Authority.

Mr Ho, the manager and director of the Fook Lee Construction Company Limited, agreed that his appointment could be seen as a conflict of interest. But he said his company would not be bidding for any airport or airport-related projects.

The New Hong Kong Alliance, headed by former Executive Councillor Mr Lo Tak-shing, claimed earlier this week that some Governor-appointed members could have a conflict of interest in construction contracts awarded by the authority. Shui On group chairman Mr Vincent Lo Hong-sui is also a member.

But Mr Ho said it was important that some members had experience in civil engineering and the construction industry in order to better advise the authority and the Governor on decisions concerning the building of the airport.

"It was obvious (that) allegations of conflict of interest would come up from time to time. But it depends on the behaviour of individual members of the authority," he said.

"Being a councillor, I'm busy and my firm is not doing a lot of work. In particular, we will not be tendering for any airport jobs or roadworks for the airport."

Mr Ho said he would immediately declare and clarify his interests to the authority before any decisions if there was any possibility of a conflict.

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